









'Lovable old villain' who claimed he just had a bad name could end his days in prison

## Charlie Kray convicted of setting up cocaine deal

By Stewart Tendler  
CRIME CORRESPONDENT

CHARLIE KRAY, the 70-year-old elder brother of the twins Reggie and Ronnie, faces spending the rest of his life in prison after he was convicted yesterday of masterminding a £39 million cocaine deal.

At the end of a five-week trial, a jury at Woolwich Crown Court found Kray guilty of offering to supply undercover police officers with a consignment of cocaine every fortnight for two years. During the trial the street value of the cocaine was put at £39 million, but police and lawyers estimate that it could have been worth as much as £78 million.

Kray, from Sanderstead, southeast London, was also convicted of supplying two kilograms of cocaine, worth £63,000 last July.

Yesterday, as the jury returned the second of its unanimous verdicts after three days of deliberations, Judy Stanley, 42, Kray's girlfriend, covered her face. Other women in the packed public gallery began crying and men shook their heads, but Kray sat in the dock without showing any emotion.

Kray was last convicted in 1969, of helping to dispose of



Charlie and Reggie Kray at the funeral of their brother Ronnie in 1995. Defence lawyers tried several times to persuade Reggie to testify at Charlie's trial, but he refused. Legal sources suggested that he did not want to jeopardise his chances of release from jail next May. He reportedly told the defence team he would not take part in a court "circus".

the body of Jack "The Hat" McVitie, murdered by his brother Reggie. He was released in 1975 and, throughout his trial, maintained that he was nothing more than a "lovable old villain" who lived off stories about the Kray gang in the 1960s.

After the result Kray shook hands with Jonathan Goldberg, QC, his barrister. He blew a kiss to Miss Stanley before being led away to await sentencing on Monday. Earlier Judge Carroll warned him and two other men who plead-

ed guilty earlier to supplying the drug that they would all face custodial sentences.

The top sentence for trafficking in cocaine is now life. Whatever the length of the sentence, Kray will serve at least part of it as a "Triple A" maximum security prisoner.

Outside the court friends continued to claim his innocence. Miss Stanley was too upset to speak. Diana Buffini, a former girlfriend, said there was evidence that the jury was not allowed to see. Maureen Cox, a former *Sun* Page Three

girl, said: "Our biggest fear is that he will not come out alive. He is the wrong side of 70 to be incarcerated again. God only knows how he will get through it."

Kray will go to prison just as his brother Reggie looks forward to possible release next year after serving 30 years for murder. Ronnie, his twin, died two years ago in Broadmoor.

The twins were repeatedly mentioned during the trial as the defence argued that Kray was the victim of the family name. Character witnesses such as Britain's first Miss UK and "Mad" Frankie Fraser, former minder for the rival Richardson gang in south London, swore that Kray was innocent. Kray claimed that the drug deal was just a scam to raise cash.

But the jury was told that Kray had been extensively tape-recorded setting up a deal with undercover officers brought in by Scotland Yard. Kray was described as a middleman between suppliers and dealers. One officer posed as a crooked Newcastle businessman and Kray set up the cocaine deal with him.

He boasted of the drugs he could get and told him he would never be directly connected with the drugs or the cash because he knew he was always under suspicion.



Charlie Kray on leave from jail in 1974 with his mother, Violet, and Susan Dwyer

## Women jailed for fire that killed family

By a Staff Reporter

THREE women were jailed yesterday after the deaths of a young mother and her two children in an arson attack inspired by jealousy.

Donna Clarke, 27, was sentenced to 20 years for arson after pouring petrol through the letter box. Clarke's aunt, Annette Hewins, 31, who supplied the petrol, was also cleared of murder and convicted of arson, and jailed for 13 years.

Ms Jones, 21, died with Shauna, aged two, and 13-month-old Sarah Jane. Cardiff Crown Court was told that Clarke, who had been having an affair with Shaun Hibberd, Ms Jones's partner, took her revenge after Mr Hibberd ended the relationship.

In October 1995 she ignited petrol in the hallway of the couple's home on a large council estate in Merthyr Tydfil, South Wales. Mr Hibberd was in jail. Neighbours who tried to rescue the victims heard Ms Jones shout: "My babies, my babies."

She was discovered in a bedroom with her arms stretched over Sarah Jane. Shauna was huddled below a window. Clarke had returned to watch firefighters tackle the blaze.

Mr Hibberd had said that Clarke, a mother of two, had pestered him after he ended their affair. The jury heard that, weeks before the fire, she told a friend: "I can't wait to get my hands on Diane - I'm going to petrol-bomb her."

Another friend of Clarke, Denise Sullivan, 25, was cleared of murder and arson but convicted of perverting the course of justice by trying to mislead police. She was jailed for four years.

John Rees, for the prosecution, warned the jury of "a culture shock" when hearing about some of those involved. "They live a seedy and sordid way of life, the women as well as the men."

## How net closed on criminal who evaded arrest for 20 years

By Our Crime Correspondent



Read: detective who convicted Kray in 1969

CHARLIE KRAY wanted to appear an old rogue living off the legend of his twin brothers Ronnie and Reggie, but Scotland Yard's files depict him as a lifetime crook.

Since his release from prison in 1975, at least three operations have been mounted against him by police after he was linked to amphetamine production, counterfeit videotapes and fake pound coins. Underworld whispers connected him to protection rackets. One senior officer said of Kray: "He has spent a lifetime as a top-tier criminal, who has made a living from crime but evaded arrest.

Out of the blue he could offer a £78 million coke deal. You cannot do that unless you are a main player with contacts." He had no bank account or credit cards. One investigator said: "He has never paid any tax, never worked and never drawn benefit. How do you do that unless it's crime?"

The detective who convicted all three Kray brothers almost 30 years ago, Leonard "Nipper" Read, said: "Charlie has been presented as some bumbling idiot. That is far from the case. He was well and truly part of the Kray firm. When the twins were in trouble, he was the first person they turned to." Mr Read, 71, said

that dozens of charges had been left on the file when Kray was convicted in 1969 of helping the brothers get rid of the body of Jack "The Hat" McVitie, and given a ten-year sentence. He said Kray was clever, but never violent; he never needed to be. "All he had to say was that he was Charlie Kray. People looked over his shoulder and wondered where the twins were."

During that heyday of the Kray empire he was a powerful figure in the background, helping to set up and run the Kray clubs. After he was released in 1975, he managed a pop group, sold cutlery at the Ideal Home Exhibition, co-wrote books

about himself and the twins, and provided advice for a film on the twins. His name continued to reach police. Forces in the Midlands and East Anglia heard whispers.

In the 1980s the Yard's task force on organised crime began a clandestine investigation into drug-deal links between Kray and the remnants of the brothers' old rivals, the Richardson gang. Regional crime squad officers also investigated him.

The key moment came when detectives in east London were given information that he and another criminal target were involved in large-scale drug supplies to the East End. Kray, who knew that he

attracted police attention, was cautious. The team decided to set a trap using undercover officers who would make their approach away from London. Plain-clothes detectives from provincial forces chose a party in Birmingham to make their pitch. They posed as crooked businessmen with an interest in drugs.

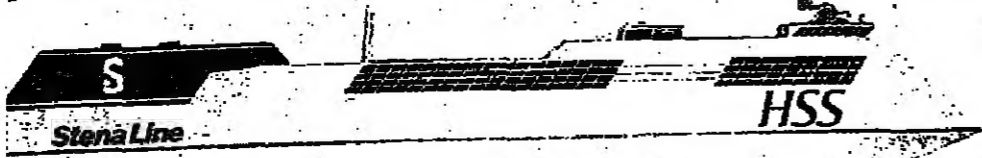
Kray offered them a shopping list. After his arrest there was no swearing, no threats, no struggles.

"It was like going back 30 years," said Detective Superintendent Gavin Robertson, who caught him. "He was a gentleman. I asked him if he wanted a cup of tea and he said, 'Thank you.' It was that polite."

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'Your money ends with policemen being killed'

# Blair asks Americans to stop funding Sinn Fein

FROM PHILIP WEBSTER, POLITICAL EDITOR, IN DENVER

TONY BLAIR appealed to the American people to stop giving money for terrorism yesterday as he arrived to seek President Clinton's backing for a fresh attempt next week to revive the Northern Ireland peace process.

The Prime Minister is seizing on a wave of revulsion that has followed last Monday's murder of two policemen in Lurgan, Co Armagh, to put extra pressure on Sinn Fein to call a ceasefire and come to the peace table. He said: "I am saying to the American people: those of you who have any attachment to Sinn Fein should know that any money you give now ends up with policemen being killed in cold blood on the streets."

Mr Blair, in Denver for the Summit of the Eight, will today brief the President on a statement he intends to make to the Commons next Tuesday or Wednesday setting out his proposals for moving ahead with or without Sinn Fein. He

wants Mr Clinton to put additional pressure on Sinn Fein for an IRA ceasefire.

The briefing will include details of secret efforts made by the Government to bring the republicans into multiparty talks. Mr Blair is expected to gamble next week by revealing many of the details to MPs. It is clear he wants to make one final attempt to include Sinn Fein.

Senior ministers believe that Sinn Fein is feeling increasingly isolated after the wave of revulsion in America, Ireland and among its own supporters over last Monday's murders. Mr Blair believes the shooting was "an act of sabotage" by the IRA, or elements of it, designed to scupper the peace effort. The Government has received private messages from Sinn Fein that they were in no way involved, and security services are assessing this claim.

Louis J. Freeh, the FBI director, expressed his outrage

at the killings yesterday and said: "These cowardly murders outraged the consciences of all law-abiding people. The FBI will enhance its efforts with its law enforcement partners in Northern Ireland, Ireland and Britain to ensure that the terrorists will be fully prosecuted, together with their organisational support and resources."

Despite Mr Clinton's heavy schedule in chairing the summit, he has asked for two separate private meetings with Mr Blair at which the main subject will be Northern Ireland. There have been reports that Mr Clinton is fast losing patience with Sinn Fein and is considering breaking off contacts with the party and its president, Gerry Adams. Downing Street officials travelling with Mr Blair appeared cautious about such a move.

A senior official said: "He thinks it is important to set out what we have been doing, and what we can do to take things

forward. The Prime Minister was pleased that President Clinton issued such a clear condemnation of what happened in Lurgan and he wants to brief the President on how he believes the peace process can go forward."

Downing Street have not sought to deny that the Lurgan killings were a serious blow to hopes of a settlement. But officials said that Mr Blair had ideas about pushing the process forward. Mr Blair will urge Mr Clinton to keep up the pressure on the Sinn Fein and IRA to announce a new ceasefire. The Government broke off all relations with Sinn Fein after the Lurgan killings.

Mr Blair will hold confidential talks on Ulster with William Hague, the new Tory leader, after his return from the Denver economic summit and the Rio Two environmental summit in New York.

Summit, pages 14 and 15



A well-wisher hugs Patrick Kane after his conviction was overturned yesterday



Corporal Wood minutes before his death in 1988

## Conviction for killing soldiers is overturned

BY NICHOLAS WATT  
CHIEF, IRELAND  
CORRESPONDENT

A MAN jailed for life for aiding and abetting the murders of two army corporals at an IRA funeral in West Belfast in 1983 was freed yesterday after the Court of Appeal quashed his conviction.

Jubilant relatives and supporters of Patrick Kane cheered as he was freed by a judge at the High Court in Belfast after nine years in jail. Mr Kane, 39, was one of three men convicted in 1990 for aiding and abetting the murders of Derek Wood and David Howes in March 1988. The corporals were dragged out of their car, beaten and shot after they were caught in the path of an IRA funeral in the Andersonstown area of Belfast.

The trial judge ruled that the men were part of a "joint enterprise" to murder the corporals. The three lost their appeals, but Mr Kane's case was referred back to the Court of Appeal by the former Northern Ireland Secretary, Lord Mayhew of Twysden.

Lord Justice McCollum said yesterday that he had been persuaded to overturn the verdict after hearing evidence from Dr Gisl Gudsjonsson, a forensic psychologist from Norway, that Mr Kane had the literacy and numerical skills of an 11-year-old.

Mr Kane was not in court to hear the judgment because a prison van taking him to the High Court was held up in traffic. But wild clapping and cheering broke out in court among relatives and supporters as his conviction was quashed. Mr Kane's elderly parents, Barney and Maureen, from West Belfast, were hugged by their other children as they waited for their son to arrive.

When Mr Kane eventually arrived, he was mobbed by relatives and friends shouting: "You're free, Paddy. You're free."

Overcome with emotion, he said: "I have been in jail for nearly nine years of my life for something I had nothing to do with. I suppose the court will say they gave me justice today. But justice should have been nine years ago. I should never have done a day in jail."

## RUC chief raises hope of peace at Drumcree

BY A STAFF REPORTER

THE head of the RUC has voiced his belief that any trouble at next month's contentious Orange Order parade in Drumcree will be less serious than the violence of last year's event.

Ronnie Flanagan, the Chief Constable, said yesterday that, although he saw little chance of nationalists and loyalists reaching an agreement over the march, he thought that both sides wanted it to be as peaceful as possible.

Last year violence erupted throughout Northern Ireland when Orangemen were allowed to march through a Roman Catholic area of Portadown after initially being blocked by the RUC. This year the Orangemen are refusing to meet the Catholic residents' group that is opposed to their parade, which will take place in two weeks.

Mr Flanagan said the two sides showed no sign of reaching a "conclusion with which they both can live", but added: "I see very encouraging signs that on both sides they are saying, 'Whatever we do we will keep it peaceful'. While I think there will be some trouble, I remain confident that it will not be of the scale or the nature of last year."

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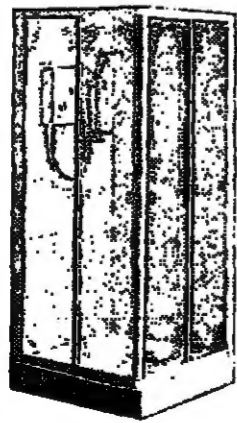
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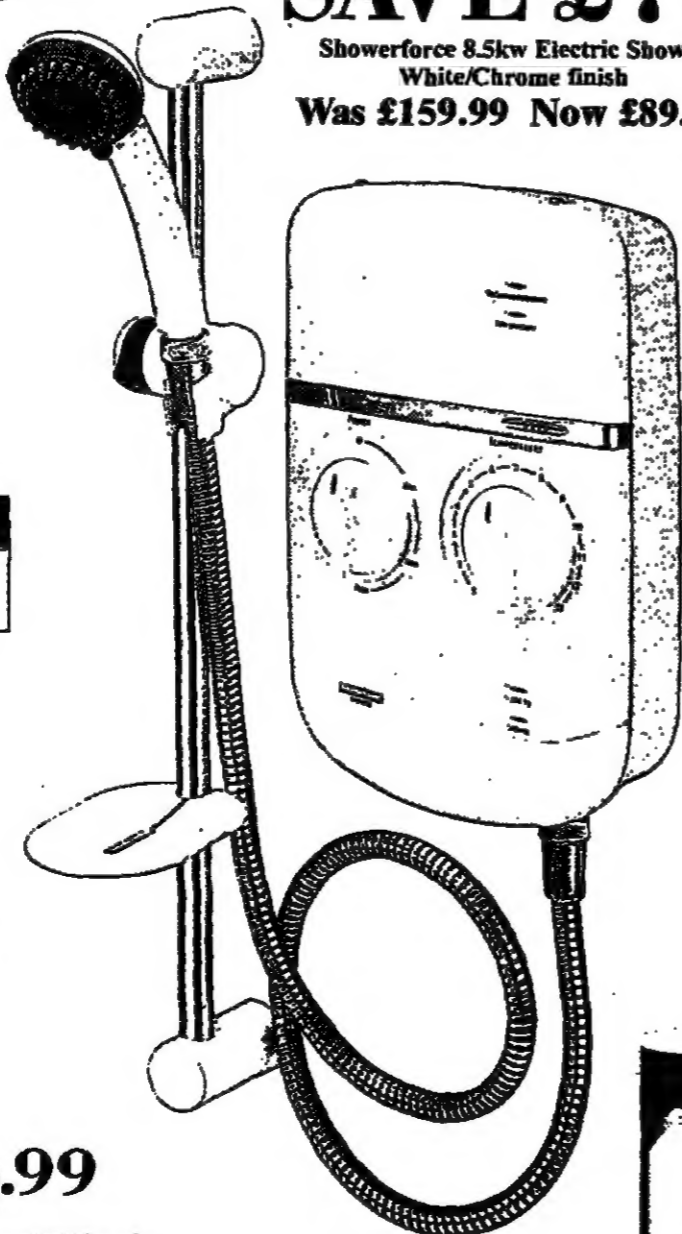
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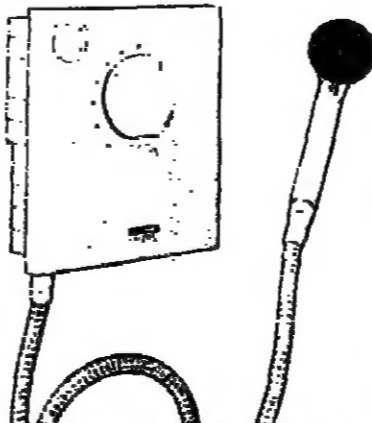


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Name of First World War soldier shot at dawn will be added to cenotaph after 80 years

## Town honours sergeant executed for cowardice

By PAUL WILKINSON

A SOLDIER shot at dawn for cowardice on the battlefield is to have his name added to the roll of honour on his home town's war memorial, 80 years after his execution.

The public acknowledgment of Lance Sergeant William Stones, 25, is the first success for a growing campaign to exonerate 307 soldiers executed for allegedly failing to do their duty in the trenches of the First World War.

Last month the Government announced that it was to re-examine many cases. It is now believed many were suffering from post-traumatic stress disorder.

Yesterday the news that the small town of Durham market town of Crook was to add the name of William Stones to the memorial was greeted with tears of joy by Tom Stones, his great-nephew. He discovered his great-uncle's fate only last year while researching his family tree and has campaigned since then for his

exoneration. Mr Stones, 56, a microbiologist from Stafford, said: "I thought I would have to make a representation to the local council, but they have done it off their own bat."

Stones' guilty verdict for "shamefully casting his rifle away" in the face of the enemy was brought in despite his denial and testimonials from his officers that he was a "keen and bold" soldier.

When Mr Stones launched his campaign, he said: "When I read the trial papers I thought, 'How in God's name could they find him guilty?' I say he was murdered. Even now some of his wife's descendants don't want to know about this, but I am really proud of him."

Mr Stones will attend a formal ceremony to mark the addition of his great-uncle's name to the town's cenotaph later this year, with council leaders, representatives of the Royal British Legion and former members of his great-

uncle's regiment, the Durham Light Infantry.

Sergeant Stones was sentenced on Christmas Eve 1916 to die for his cowardice. A month later he and two other NCOs were executed by a firing squad in a snow-covered farmyard.

Corporal A.E. Rochester, who witnessed the event, later wrote: "Manacled and blindfolded they are tied up to the stakes. Over each man's heart is placed an envelope. At the sign of command, the firing parties, 12 for each, align their rifles on the envelopes. The officer in charge holds his stick aloft and, as it falls, 36 bullets usher the souls of three of Kitchener's men to the great unknown."

He goes on: "I could tell you of the silence of the military police after reading one letter from a little girl to 'Dear Daddy', of the blood-stained snow that horrified the French peasants, of the chaplain's confession that braver men he

had never met than those three men he prayed with just before the fatal dawn..."

The Stones case was one of several taken up by Julian Purovski in his book *Shot At Dawn*. He said: "It is wonderful news that the council is to honour Sergeant Stones. He and other men like him were true heroes and should be remembered that way."

John Hipkin, 70, of Newcastle upon Tyne, another campaigner, said: "I am elated at the council's decision to honour Lance Sergeant Stones. It is a step in the right direction. I hope that other towns will follow Crook's example and bring honour to these young men."

Olive Brown, leader of the Labour-run Wear Valley council, said: "We decided not to wait for an official pardon to come through but to honour a brave man in the most fitting way we could. He was a hero and did not deserve to die in the way that he did."



Sergeant William Stones: court martial sentenced him to death by firing squad

## Jet ordeal stowaway 'thought he was on ship'

By STEPHEN FARRELL

A SIKH stowaway who flew to Heathrow from Delhi in the wheel bay of a jumbo jet was so confused that he told officials he had travelled by ship, an immigration appeal hearing was told yesterday.

Pardeep Saini, 22, is challenging the Home Office decision to refuse asylum, and claims he would be persecuted by the Punjabi authorities if returned to India. The hearing was told that, in interviews after he was found on the tarmac on October 12, Mr Saini gave different accounts of his family background and how he boarded the aircraft.

His lawyer, Elizabeth Jenkins, said he had suffered mental damage and would now be unable to look after himself in India, where he had no surviving relatives. She claimed he should not have been interviewed so soon after surviving temperatures of -60C on the ten-hour flight, during which his brother Vijay, 18, died of hypothermia and fell 2,000ft. The hearing adjudicator reserved her decision.

## Tuition bill for medical studies may hit £10,000

By DAVID CHARTER  
EDUCATION CORRESPONDENT

MEDICAL students face paying course fees of £10,000 under proposals for a sliding scale of tuition charges in the Government's review of higher education.

The review, led by Sir Ron Dearing, is considering making students pay a quarter of their tuition costs, amounting to £2,000 a year for high-cost courses such as medicine and veterinary science. But students on low-cost arts courses, such as English, would pay a few hundred pounds.

Although the principle has strong support in Sir Ron's committee, its proponents are divided over whether to back the sliding scale, an annual fee of £1,000, or a nominal charge of several hundred. The charge will not be in advance but become part of maintenance loan repayments.

Douglas Trainer, president of the National Union of Students, said students would fight tooth and nail against any payment for tuition. "The threat of fees is striking fear into potential students and their parents who are thinking about their future higher education," he said.

Sir Ron's final report is due to be published on July 17.

## Golfers bag the record for fastest 18 holes

By A STAFF REPORTER

A GROUP of golfers are claiming the British record for completing 18 holes in 14 minutes. A game played at the conventional pace usually takes three to four hours.

The 50 players were positioned around the par-71 course at Dereham Golf Club in Norfolk, with each shot being hit by the one closest to the ball. As each putt was sunk, a marshal signalled for the player on the next tee to drive off. Lost balls were immediately replayed.

The group, ranging from scratch golfers to occasional hackers, beat North Fife Rotary Club's record for a course of more than 6,500 yards by 48 seconds. It was their third attempt and the light was fading as the ball was played down the eighteenth.

Norman Simmons, the organiser, said: "It was an incredible feat. The ball was moving so fast that nobody had a chance to count the number of shots, but it must have been well over a hundred."

A spokeswoman for the Guinness Book of Records said: "We don't keep British records in this category so we cannot say if this attempt in Norfolk is the fastest."

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## Couple split up as they win fight to be married



Wedding day: Stephen Grant and the Earnshaws

By RUTH GLEDHILL  
RELIGION CORRESPONDENT

A COUPLE whose church wedding was conducted by a young man on work experience have separated, it was disclosed yesterday. The news of their break-up came just days after Church of England officials declared that the marriage was valid.

Rodney and Shirley Earnshaw, both 25, married in August at St John's Church in Huddersfield. Stephen Grant, 19, a student working as a church server, stepped in to take the service because the real clergyman was late. The couple sought legal advice when they found that Mr Grant was not a priest.

Mr Earnshaw, a factory worker, has

moved out of their semi-detached home and is living with his mother. Mrs Earnshaw, a cosmetic saleswoman, said: "There is a great strain on our relationship and this whole situation has proved to be very stressful to us."

Her estranged husband's mother, Hilary Earnshaw, said: "I don't want to talk about this at all."

The question of the validity of their marriage had sent Church of England lawyers scurrying to ancient case-law books. Officials from the Wakefield diocese declared the marriage to be valid last week, on the ground that the couple genuinely believed that the vicar was real.

Yesterday a spokesman said: "This is a unique and very unfortunate situation

and I am very sorry to hear the news of the couple's separation."

Mr Grant, of Bolster Moor, Huddersfield, said: "I am deeply saddened by this news. My thoughts and prayers have been with them since this whole thing started. I do hope they can reconcile their differences and I offer my best wishes to them for when they try to resume their marriage."

Mr Grant, who hopes to seek ordination after completing his studies at St David's University College in Lampeter, Wales, added that he was sure the split would be temporary. "I am very confident that this problem can be resolved because they seemed to be a very committed and strong couple who loved each other very much."

**Credo**

## Listen, we can heal gay rift

In the days when clergy used to say the whole Psalter every month, including the cursing sections now enclosed in square brackets, I used to look forward to the reference in Psalm 58 to "the deaf adder that stoppeth her ears; which refuseth to hear the voice of the charmer, charm he never so wisely".

The psalm singles out unwillingness to listen as the epitome of wickedness. Nor is it hard to see why. To stop one's ears against someone is to deny that they are the neighbour whom we are commanded to love.

Yet listening can be extraordinarily difficult. The widening rift between two extreme groups in the Church of England on the subject of homosexuality is evidence of this. The protagonists of both extremes stop

their ears in the absolute conviction that they are right. Conservative Christians hold that the matter has been settled for all time by what they interpret as the strong scriptural condemnations of homosexual practice.

In reality they are defending a belief about Scripture rather than about homosexuality as such. Accusations of homophobia, narrow-mindedness, intransigence and so forth may in some instances be justified, because even conservative Christians are sinners. But on the whole such criticisms miss the point, because they do not recognise or address the main concern. They therefore remain unheard.

Campaigning homosexuals speak of new understandings of sexuality, the validity of personal experience and the need for self-acceptance. The message as frequently perceived by their opponents, however, is that they are advocating promiscuity, corrupting the young and undermining marriage.

Such an interpretation may in some cases be justified, because homosexual Christians, too, are sinners. But wholesale condemnation of homosexuality, like wholesale condemnation of conservative Christianity, entails a refusal to hear what is ac-

tually being said. There can be no way out of this impasse unless both sides are willing to unstop their ears. This does not mean agreeing with beliefs which may be deeply repugnant, but it does mean recognising that God sometimes speaks to people through those whom they would most like to dismiss.

The Churches have pleaded for years that apparently irreconcilable opponents in Northern Ireland should listen to one another, and search for some common ground. It would be ironic if Christians were unable to do the same in a matter which concerns their own internal unity.

So where do we begin? The first step, I believe, is to acknowledge that the issue is not going to be settled by strongarm tactics, publicity stunts or accusations of bad faith. The heart of the problem lies in the nature of Christian belief itself. A faith which takes history seriously cannot escape the tension between loyalty to what has been given in the past and responsiveness to contemporary knowledge and experience.

It follows that there will always be contested areas, that not all questions have simple answers, and that not all moral dilemmas are soluble, at least in the short term.

For both sides to admit that homosexuality is a genuinely contested area would be a major step forward. It would allow the mutual exploration of different beliefs, without the threat of takeover bids. It could lead to the mapping of some areas of common concern, and perhaps to agreement on some moral boundaries. Within the areas of uncertainty and disagreement, there might be growth in mutual respect.

It will not be easy, and on the sidelines there will be those who cry, "fudge, hypocrisy and compromise". I would myself describe it as a small advance in learning afresh how to love even our most uncharming neighbour.

□ Lord Habgood is former Archbishop of York



John Habgood

## Hero of IRA blast joins monastery to spread peace

By A STAFF REPORTER

A SECURITY guard who rescued a baby caught in last year's IRA bombing of Manchester is to become a monk. Tony Gorrell, 31, said: "The stress, trauma and the horrors that I saw on that day have shown me that this is what I need to do."

Twelve months after the explosion, Mr Gorrell of Radford, Coventry, has announced his intention to join the Order of the Good Shepherd, helping the needy. He will make his vows of poverty, chastity and obedience later this year.

Mr Gorrell had been working in the Manchester Arndale Centre for the Coventry firm Euroguard Security and was helping to clear the area when the bomb went off at 11.20am, showering a baby's pushchair with glass. He picked up the child and took him to medics near by.

Mr Gorrell, who is a Roman Catholic, said that the past 12 months had been the most difficult in his life and that only his faith had pulled him through. He said that never a day went by when he did not think about the horrors he witnessed in the bombing. There were times when he

woke in the night in a cold sweat, reliving his fear of the moment the bomb went off.

"It does get easier, but the memories never go away," he said. "It made me realise there is more need for peace in this world. I have always been a devout person, but what happened last year has pushed me even more into doing what I'm doing."

"I am not interested in money or material things, I just want to help people and give something back. I had been thinking about joining a religious order for a few years but the Manchester experience has reinforced it."

Mr Gorrell, who is single and lives with his mother, will spend six months in Wolverhampton before undertaking a 12-month training programme in Canada. He will live in a community with 40 other monks.

Earlier this month he won an out-of-court settlement from the security firm after alleging constructive dismissal. He claimed he had been placed under undue pressure after going back to work following the explosion. Mr Gorrell said the four-figure sum, which has not been paid



Tony Gorrell rescuing baby Samuel Hughes after the Manchester IRA blast

yet, would mean nothing to him. "I didn't do it for the money, I did it because I wanted others to know I haven't done anything wrong."

Now working for a haulage company at Hinckley, Leicestershire, Mr Gorrell said that joining the order was "a decision you don't take lightly. There will be no pay cheque at the end of the week, or

luxuries. But the important thing to me is that each day I will be helping people, and that each one will go away satisfied."

"I am really looking forward to it and I am not worried about giving anything up. Everyone has something to do in life and this is mine. I will still be able to see my family and I will be helping people every day." During the

initial stages of his training he will be based at the Good Shepherd Trust community in Wolverhampton. One of its main aims is to help the homeless and disadvantaged, offering a daily meal and clothing service.

He has visited the community three times for interviews and trial periods. Eventually he would like to work in the Third World.

## When children

Following the discovery that their child has a learning disability, many parents find themselves confronted by an impossible maze of benefits, services and

therapies. Unfortunately, such a challenge comes at a time when the parents are at their most vulnerable and preoccupied with coming to terms with their own

situation. To help give these families the help they desperately need, Mencap have launched a Family Adviser service, which provides caring professionals,

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# Who is responsible?

56 years ago today, on the 22nd of June 1941, the most gruesome and brutal war in the history of mankind began. Hitler named it "Barbarossa". It cost 55 million humans their lives.

The paranoid Hitler's first aim was to conquer the whole of Europe and subject it to the rule of Nazism, an aim he almost fully accomplished.

The European Jews on the other hand were not to be conquered or ruled, but simply to be wiped out. This mass execution began with the "Barbarossa-Invasion" against Russia. Special detachments of SS and SD rounded up unarmed and helpless Jews, driving them into ditches ruled by firing squads, locking them into gas chambers and ghettos, killing millions of men,

women and children with German meticulousness and precision . . . . Around forty per cent of the Jewish population were murdered. This took place with the substantial help of Estonian, Latvian and Lithuanian Hiwis (auxiliary troops of the SS) who were often known to be more atrocious and gruesome than the SS themselves.

This organised mass extermination began in July 1941. The mass executions by the SD and other special detachments didn't remain concealed; the Headquarters for deciphering war messages in London Bletchley Park managed to crack SS-codes on the 18th of July 1941, thus being exactly informed about the systematic decimation of Jewish inhabitants under the German occupation from then on. Further gruesome details about the

genocide gradually became known by messengers or refugees that had managed to escape the ghettos and concentration camps . . .

I, the undersigned Artur Brauner, lost 49 relatives from both sides of my family. In the name of these relatives and friends and the millions of other victims that were murdered, I want to appeal to the Royal Family, the British government and the British people, to open their archives dating from 1941-45 and make them fully accessible to the public. It is high time that the British nation and the rest of mankind were informed about the accessories that are to be held responsible for keeping this genocide secret.

Did the Royal Family know what was happening? Had they been informed? If so, how did the Queen react to this horrific revelation?

Thousands of Jewish inhabitants from White Russia were executed. Among them might have been relatives of Chagall or Oistrach . . . .



Meanwhile proof has been delivered, that Prime Minister Winston Churchill was informed about the genocide. Why he stood by without interfering or informing the public while the massacre took place must be clarified in the name of humanity.

Deportation from the Warsaw Ghetto to concentration camps in Treblinka, Auschwitz and Maidanek. Members of the Golda Meir family? Ben Gurion? My own?



Today it is seen as a fact, that Churchill informed the American President Roosevelt about concentration camps, ghettos and the mass executions of the Jewish population in eastern Europe in order to consult him. The contents of these consultations should be made accessible to the public throughout the world.

Liquidation of a "Shtetel". Craftsmen that revived the "Shtetel" were murdered just as milkmen, tailors or butchers. The "Fiddler on the Roof" only has the dead to play to.

The culture and human existence of the biblical folk that brought forth Moses, David, Solomon, the Prophets, Mother Mary, Jesus, the Twelve Apostles, philosophers such as Spinoza, Majmonides, Mendelssohn, composers and virtuosos such as Mendelssohn-Bartholdy, Bizet, Schönberg, Kalman, Gershwin, Rubinstein, Olstrach, Menuhin, Bernstein, Halévy, statesmen such as Disraeli, Ben Gurion, Golda Meir, Dajan, Rathenau, Nobel Prize winners such as Einstein, great thinkers such as Marx and Freud, artists such as Chagall and Modigliani, writers such as Feuchtwanger, Heine, Kafka, Celan, Roth, Janusz Korczak, wonderful humanists and many

others, were systematically destroyed. A huge prison stretching across millions of kilometres in Europe — from the Caucasus up to Norway, from Stalingrad to Saloniki — enclosed the Jewish people and ensured that these branded victims were helplessly left at the disposal of bloodhounds and executioners.

The allies passively watched on, while the most extensive genocide in the history of mankind took place on their doorstep. Stone hearted, egoistic, intolerant and without a spark of humane compassion! Even though the Christian belief has taken over the Old Testament

The American military have denied the victims of this persecution any form of humanitarian help. Which role did the British military play in the matter? After all, mutual chief commandos existed!



Hundreds of thousands were shot in the back of the neck. The lust for murder was effusive. Hitler and his followers activated the lowest instincts to keep the murder machinery running, forcing it onto human beings who were absolutely defenceless.

The radius of American and British bombers would have enabled them to bomb railway lines leading from the ghettos of Warsaw, Lodz and other cities to Treblinka, Maidanek or Auschwitz, thus putting an end to, or at least reducing the mass murder. Who carries the responsibility for this "standstill agreement"? How many of my relatives died in the gas chambers because of it?



Within a short period of time over half a million inhabitants of the Warsaw ghetto lost their lives due to epidemics or by starving and freezing to death. The 60,000 that survived finally tried to fight down the Nazi murderers with the aim of not dying without having fought back, even though the chances of success were negligible. The "death march" after the uprising in the Warsaw Ghetto.



The concentration camp in Auschwitz wasn't bombed once, even though a thousand tons of bombs were dropped 8 kilometres away in numerous air raids. The targets of these attacks were however mostly refineries.

The prisoners prayed to God — the same God the allies believed in — that they might be bombed, as it was their only hope to escape sure death. But no bombardments took place. Who gave the orders and why? Definitely not to allow the German "Reichsbank" to intensify their transactions of selling the wedding rings and gold extracted from the teeth of the dead victims to Switzerland.

and Bible from the Jewish people it ignored the commandments of humanity and charity in these infernal times! This irresponsible passivity allowed Hitler's gang of executioners to systematically exterminate half the population of a community as planned, whose belief in a God that they originated from, was taken over by the rest of the world.

Artur Brauner  
President of the  
B'NAI B'RITH Lodge  
Janusz Korczak Berlin

55:10:10

## US state puts guilt back in divorce

By TUNKU VARADARAJAN  
IN NEW YORK

LOUISIANA'S legislators have voted to make their the most difficult state in America in which to get divorced, passing a Bill to introduce the concept of a "covenant marriage" tied to compulsory premarital counselling.

The Bill, which awaits the approval of the state Governor, was approved by a 91-8 majority in the state House of Representatives, and by 28-9 in the Senate.

The prospective law provides for a revolutionary two-tier marriage system, allowing couples to choose between what might be described as "regular" or "high-octane" unions.

The first is the form that exists already, which allows couples to obtain the sort of no-fault divorce prevalent in most of the Western world. The second, covenant marriage, is designed to discourage easy divorce. The Bill's proponents, alarmed by America's soaring rate of marital breakdown, have assembled a package that is part roadblock and part sermon. If a couple opt to marry under covenant, they will forfeit the right to a no-fault divorce.

To undo a covenant marriage, a spouse would have to prove physical or sexual abuse, abandonment for a year, adultery, or "habitual intemperance, excesses, cruel treatment or outrages".

Although counselling will be obligatory, there is no provision for "passing" or "failing". Couples will make their own decision, based on an understanding of the implications.

## Protesters dispersed by police in Beijing

FROM JONATHAN MIRSKY IN HONG KONG

BEIJING police yesterday drove more than 200 angry protesters from the walls of the leaders' compound in the Forbidden City, ending the first mass protest in China's capital since the Tiananmen crackdown in June 1989.

The Zhongnanhai, as the compound is known, is a haven of gardens, trees and ornamental ponds where Mao once lived, a few minutes from Tiananmen Square in the heart of Peking. It is the most politically sensitive place in the country in the run-up to the transfer of Hong Kong's sovereignty on July 1.

Yesterday's protest, by middle-aged and elderly Peking residents who tried to force their way into the Zhongnanhai, arose from a housing dispute. All were employees of the Guanghua Wood Materials Factory and claimed that the factory had promised them new flats — to replace other accommodation which they had left voluntarily three years ago — but had instead sold the flats to private buyers.

The protesters were surrounded by police before being frog-marched onto a bus. Some managed to leave the scene before being detained. They protested that they had committed no crime.

At the heart of the dispute is the Ministry of State Security which is involved with the developer who built the new flats. The ministry is widely suspected of corruption and is reported by security officials here to be attempting to penetrate the Department of Customs and Excise in order that

Chinese hi-tech equipment and strategic chemicals can be exported without inspection through Hong Kong to countries like Iran.

There is a Chinese tradition of petitioning for justice outside the residences of senior officials. At the beginning of the Tiananmen demonstrations, some students knelt and bowed on the steps of the Great Hall of the People, which flanks one side of Tiananmen Square, and demanded that officials come out and accept a petition calling for freedom of the press and speech and an end to corruption.

Other students pressed up against the yellow gates of the Zhongnanhai, shouting similar demands, until police and army guards beat them back.

Such demonstrations soon escalated into the mass protests in Tiananmen Square and almost 100 other cities, with protesters calling on Deng Xiaoping and other leaders to step down and demanding an end to Communist rule.

In Peking last night, Professor Ding Zilin of the People's University, whose son was shot dead in Tiananmen, said that in the run-up to the Hong Kong handover, the police team that keeps her under surveillance has been strengthened and that it was almost impossible for her family to leave the campus.

Professor Ding has drawn up a list of almost 100 students who were killed and is demanding that the Government say how many others died.



A mother and child struggle to cross a Tokyo road as Typhoon Opal struck central Japan yesterday with winds of almost 70mph. A fisherman, 60, drowned, schools closed and 100 domestic flights were cancelled

## Americans near deal to reduce nicotine

FROM TOM RHODES  
IN WASHINGTON

THE American tobacco industry, nearing an agreement expected to cost companies more than \$350 billion (£212 billion), has agreed that the US Government can insist on the gradual removal of nicotine from cigarettes.

After long negotiations in Washington, talks between state attorneys-general, industry lawyers and others appeared to be reaching some conclusion last night as negotiators tried to resolve the final points of a comprehensive settlement to dozens of anti-tobacco legal actions.

The deal will govern regulations for the industry for the next quarter century. Negotiators were said to have reached an agreement on concepts, but were still hammering out the specific details of the agreement, which was unlikely to be announced before the close of Wall Street last night to avoid further turmoil in the financial markets.

The apparent acceptance by tobacco company lawyers that the Food and Drug Administration could force the removal of nicotine was seen as a key change. The proposal calls for a gradual reduction in nicotine levels but no complete ban until 2008, allowing companies time to find a non-addictive alternative.

Among the final hurdles being cleared yesterday was the extent of the apology to be made by the industry.

## New claim of Pol Pot capture

FROM JAMES PRINGLE  
IN PHNOM PENH

POL POT, the elusive leader of the Khmer Rouge, has been captured, a rebel group of the secretive guerrillas who brought the killing fields to Cambodia claimed last night in a broadcast from its clandestine radio station. Earlier

in the day, Prince Norodom Ranariddh, the First Co-Prime Minister in the Government, said that dissident Khmer Rouge guerrillas who had broken with Pol Pot had discovered his hiding place and were moving in to try to take him alive.

Pol Pot was said to have only 15 men with him in the forests of northern Cambodia near the Thai frontier.

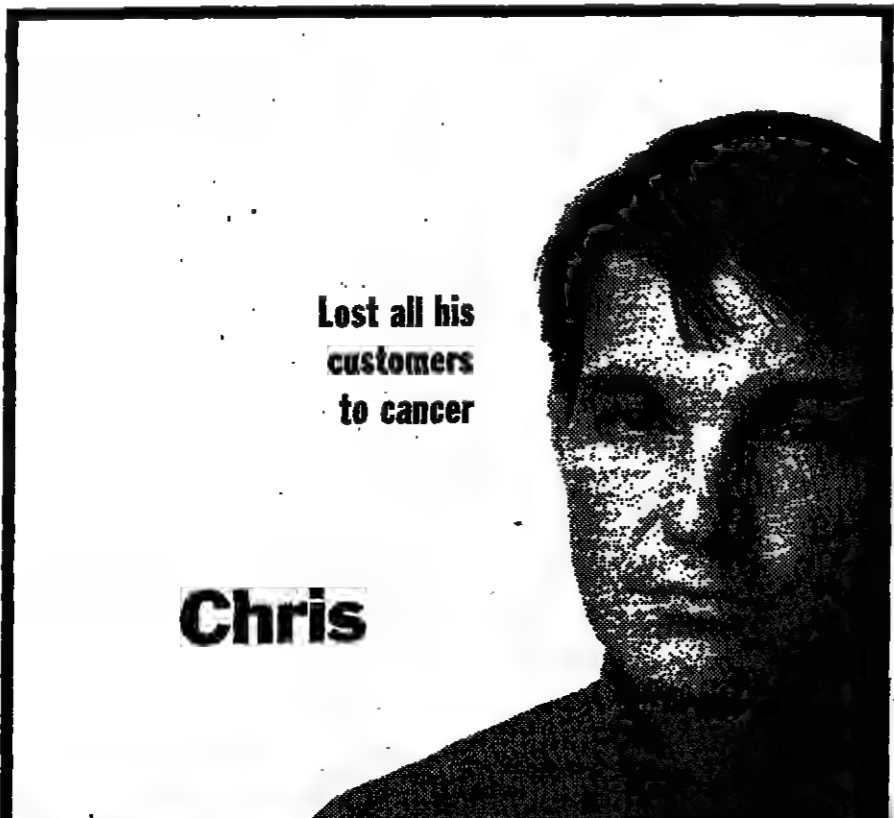
Earlier in the week, Khmer Rouge radio had said that Pol Pot had surrendered. However, Prince Ranariddh said yesterday that the man who ruled the country from 1975 to early 1979, when a million Cambodians died in the killing fields, had placed conditions on his surrender which

had proved unacceptable. There was no independent confirmation of the latest surrender reports, or even that Pol Pot was alive.

Cambodia's Second Co-Prime Minister, Hun Sen, a rival of Prince Ranariddh, said that it was all "a political game". Some of Hun Sen's supporters said that they did not expect to see Pol Pot taken alive.

Prince Ranariddh added that Khmer Rouge forces who turned against Pol Pot and wanted to negotiate with the Government had found his forest hideout and were preparing a final assault. He said the pursuit was continuing cautiously because the rebels wanted to take Pol Pot alive.

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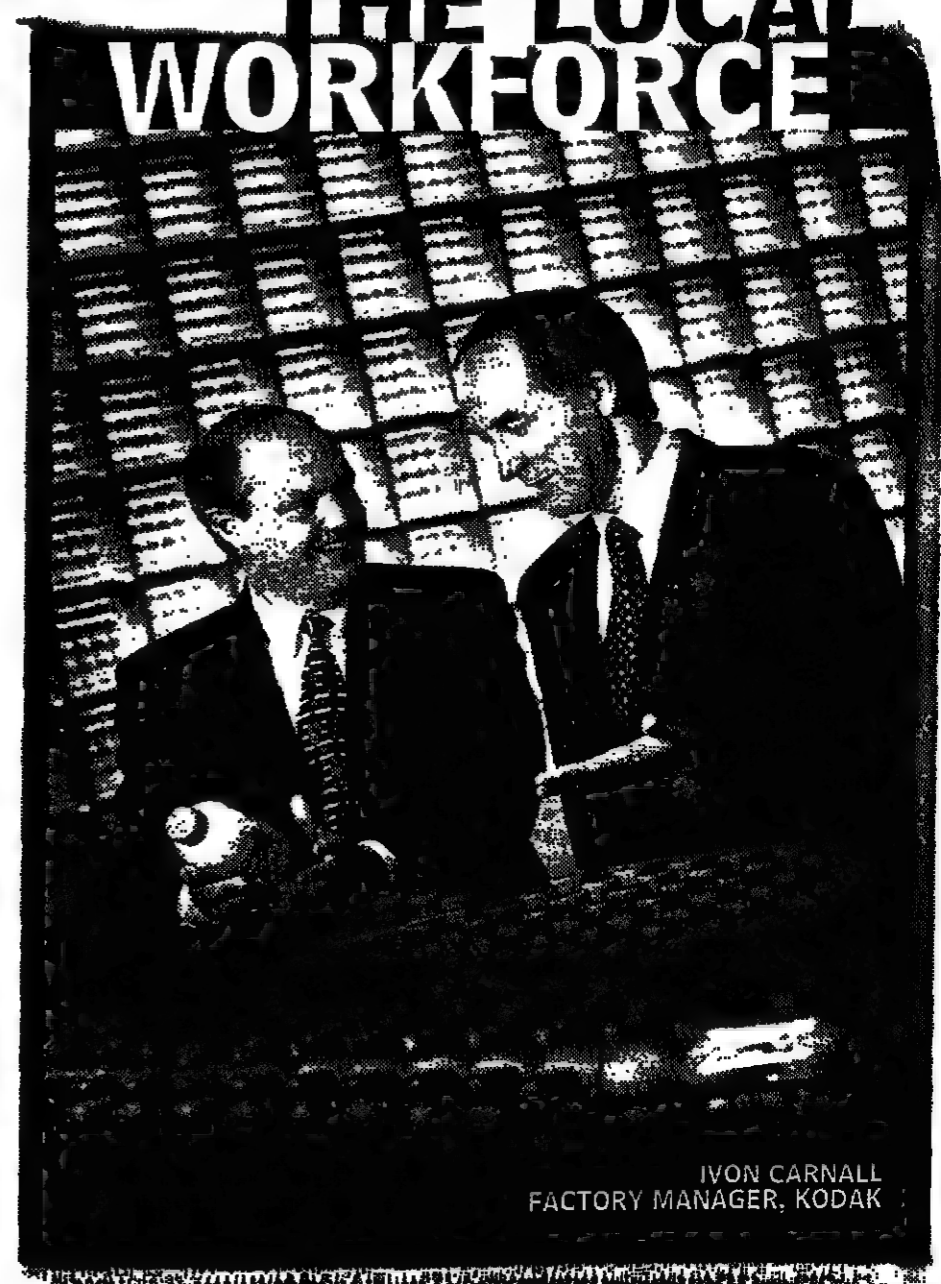
And the workforce at Kodak? They've an enviable reputation for meeting quality standards and adopting new management systems.

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# Blair wants world to warn China on Hong Kong rights

FROM PHILIP WEBSTER  
POLITICAL EDITOR  
IN DENVER

TONY BLAIR last night called on world leaders to send a clear message to China that the rights of the people of Hong Kong must be protected after the handover to Beijing at the end of the month.

The Prime Minister has made the future of Hong Kong one of the priorities at his first appearance on the global stage. After arriving in Denver last night for the Summit of the Eight, Mr Blair went straight into separate meetings with Jean Chrétien, the Canadian Prime Minister, and Ryutaro Hashimoto, his Japanese counterpart, in which he urged both to support the demands of Britain on China to respect the traditions and rights of the people of Hong Kong. He will raise the issue again in his first speech

to the summit today. Mr Blair is to use the summit to push forward the agenda on job creation which he and President Clinton put at the heart of a new Anglo-American partnership when they met three weeks ago.

In his speech today, Mr Blair will say that while effective regulation can provide a framework for employment rights and security, excessive protection could exclude those returning from a break and the long-term unemployed. He will say: "We should all ask ourselves whether our regulations help or hinder those out of work."

Mr Blair will urge that a full action programme on jobs be agreed by next year's "G8" summit in Birmingham. He will tell fellow leaders that the

conference of finance and social affairs ministers in Britain in January must start coming up with conclusions.

As he flew to Denver, Mr Blair's officials said that he had a list of priorities for the summit. These were winning support for Britain's job creation ideas, improved supervision of international markets to combat financial fraud, a demand for a clear lead from the summit for action on environmental issues such as climate change, forests and the oceans, and support for the British agenda on human rights, democracy and good government and new measures to tackle corruption and bribery.

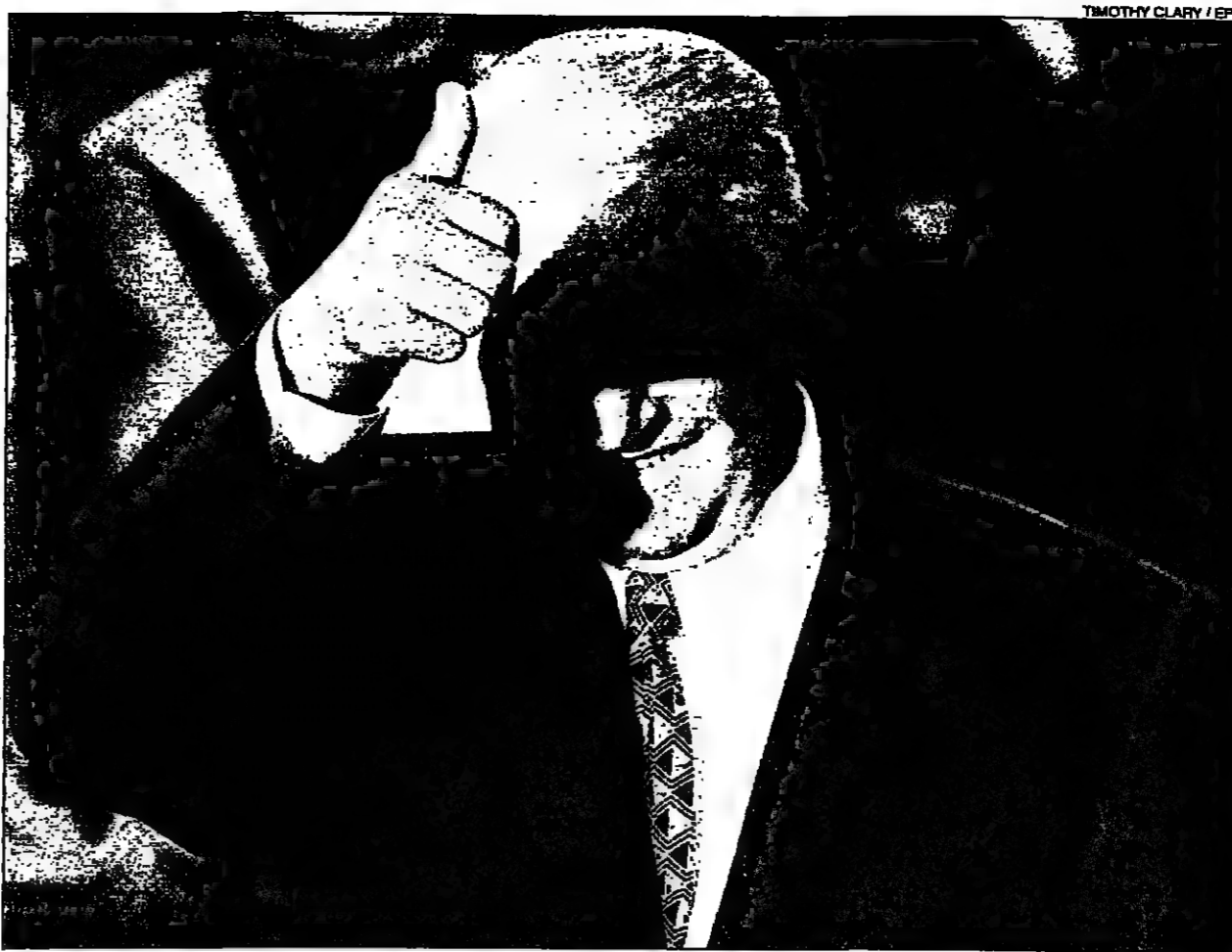
At his two meetings with President Clinton today, Mr Blair will discuss jobs and Northern Ireland.

It will not all be serious negotiation at the summit. The Prime Minister and his wife, Cherie, are to attend a cowboy party in the old cattle stockyards in Denver tonight, where the leaders are expected to don cowboy dress.

Clinton warning: Mr Clinton used his arrival in Denver to call for maintaining "normal trade relations with China", adding that there was no reason to curb trade with a country "just because we disagree with it" (Bronwen Maddox writes).

He added: "We should push our ideas forward, but we should not imperil 170,000 American jobs today and a big chunk of America's future — not just our economic future, but our ability to work with the largest country in the world. We don't do it to other countries with which we disagree; we should not do it with China."

His remarks will inflame the controversy in Congress over whether to renew China's "most favoured nation" status, which grants it the same trading rights as most of the United States' trading partners. The vote has been a formality in previous years.



President Yeltsin arrives in Denver, the city made rich by the Cold War. It is the Russian leader's first 'G8' meeting

## Security tight in mile-high fortress

### DENVER NOTEBOOK

The signs in Russian and other languages draped along the central pedestrian shopping street and at the gleaming new tram stops say "Welcome". The Russian leader is the main curiosity for this Rocky Mountain fortress. For Boris Yeltsin is attending his first full "Summit of Eight" in the city that grew rich on the Cold War.

Denver made the missiles and hi-tech weapons systems that were targeted at Moscow. The end of the Cold War swept all that away. Mr Yeltsin is here, with other leaders, to see how jobs can be created from the fruits of peace.

There is still a fortress feeling about this city nestling a mile high beneath the jagged skyline of the snow-covered mountains. The summit has swept into town barely a week after the Timothy McVeigh verdict, leaving

security forces little time to rest. Roads have been closed, a steel fence rings the Central Library where the G8 leaders are meeting, and secret servicemen are directing anyone away from anywhere if a leader might appear.

Army officials arrived last month to train 1,000 local police how to respond to attack, with classes in identifying chemical and biological agents and how to decontaminate and transport victims. A battalion of troops is on standby. Security costs are put at \$2 million (£1.2 million).

It might all seem a bit far-fetched, as unfamiliar foreign ministers and anonymous Brussels officials are installed in hotels spruced up with designer-made leather sofas and Navajo rugs to give them an authentic Western feel. But since the Oklahoma bombing,

America has taken security very seriously.

The FBI has been keeping an eye on Denver for some time, nervous that the McVeigh trial might stir far-right militias into action. One group is reported to have begun recruiting among security guards at a former nuclear weapons plant in the suburbs, where 14 tonnes of plutonium is stored.

World leaders, arriving from the multi-million-dollar new airport 25 miles out on the plains, will barely see Denver, a city that is booming again — thanks to airlines, digital communications and hi technology — and has gone green. As noxious miasmas settled over the once rarefied air, it declared war on the car. The city has built a tram system that

glides through the central area. Free buses shuttle up and down car-free shopping streets.

President Clinton has rewarded Denver with the summit — and invaluable publicity — because Colorado did more than any state except Arizona to boost export earnings (up 115 per cent) and because Governor Roy Romer is a valuable political ally.

The President has also let American sponsors do most of the city's promotion, with almost all the expensive arrangements and press facilities provided as part of corporate advertising. As a result, the summit is costing only \$20 million — less than half last year's more lavish affair at Lyons (\$48m).

Businesses estimate that they will make \$13.5 million in earnings from the 8,000 delegates and journalists.

MICHAEL BINYON

## Kohl sets out his vision for Europe

By MICHAEL BINYON

EUROPE needs a common currency as a necessary and logical completion of the single market, Helmut Kohl, the German Chancellor, said yesterday.

"We also need it to strengthen Europe's ability to meet global challenges — and, not least, to give Europe appropriate weight in the international monetary system," he said.

Addressing the Chicago Council on Foreign Relations hours before arriving here for the start of the Denver summit, Herr Kohl reiterated his insistence that there must be no fudging of the Maastricht criteria or weakening of the euro's strength. The common currency must be stable, he said. "The stability pact and

### GERMANY

the time-frame of the Maastricht treaty are not negotiable... The decision on which countries will qualify for monetary union will then follow in the spring of 1998."

Herr Kohl told his American audience that economic and monetary union was also, essentially, a political project. "It binds the European Union more closely in a common destiny. The process of European unification thus gains greater dynamism. EU enlargement will strengthen this dynamism even further."

The Chancellor's remarks displayed his evident satisfaction that the new French Socialist Government was unable to make any significant modification to the EMU timetable and criteria at the Amsterdam summit.

He also underlined his insistence on a common European foreign and security policy. "My goal is that one day Europe will be able to speak with one voice and realise its interests through common foreign policies... The construction of the European house — with a permanent right of abode for our American friends — is the key for Europe's future success."

THE DENVER WISH LIST			
<b>UNITED STATES</b> Help to reduce trade deficit with Japan (will probably get it)		<b>UNITED KINGDOM</b> Help monitoring Hong Kong (will probably get it)	
<b>GERMANY</b> Endorsement of its view of EMU (will not get it)		<b>FRANCE</b> Job creation programme (may get it)	
<b>ITALY</b> Veto support for its EMU entry (will probably not get it)		<b>CANADA</b> Environmental clean up commitments (will probably get it)	
<b>JAPAN</b> New legislation saying for ageing population (will get it)		<b>RUSSIA</b> More financial help (probably get it)	

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Abuse of Somalis by Italian peacekeeping force threatens to tarnish glowing record of top soldier

## Modern hero under fire

ROME FILE  
by RICHARD OWEN

ITALY'S current bout of angst over the behaviour of its Somalia troops four years ago is threatening to tarnish the reputation of a modern hero: General Bruno Loi, the tall and athletic paratrooper who led the Italian contingent in the multinational operation.

General Loi, 56, features as much in Italian women's magazines as in the news pages. In a country short of modern heroes, his imposing figure and air of command make him a natural role model. Few seem willing to believe that he knew about, much less condoned, the alleged torture of Somali civilians during "Operation Restore Hope".

The Government has set up a commission of inquiry after *Panorama* magazine published graphic photographs appearing to show troops from the general's crack Folgore ("Lightning") regiment attaching electrodes to rape prisoners and sexually abusing Somali women. General Loi said he was "rabid with anger" over "these obscene photographs which prove nothing... I always gave precise instructions to our troops not to act like an army of occupation."

Italian paras, he said, were "fine boys, the finest in all Italy". Nonetheless the general has resigned, or "suspended himself" — together with General Carmine Fiore, who succeeded him in Somalia at the end of 1993. *La Stampa* described them as "military gentlemen of the old school", but feared the scandal would bring them down "because of a group of louts in uniform".

General Loi seems unwilling to concede that some of his "fine boys", bored in the heat of Africa, might have departed from his strict code and turned to "Ramboism". Born into a military family from Sardinia, he rises at six and runs for an hour.

"He was always a touch vain and arrogant," recalled one fellow officer this week. "Bruno knew he was the best." A lover of French wines — he studied at the Ecole de Guerre in Paris — the general is always dressed immaculately, with a scarf at his neck, in a conscious imitation of Field Marshal Montgomery.

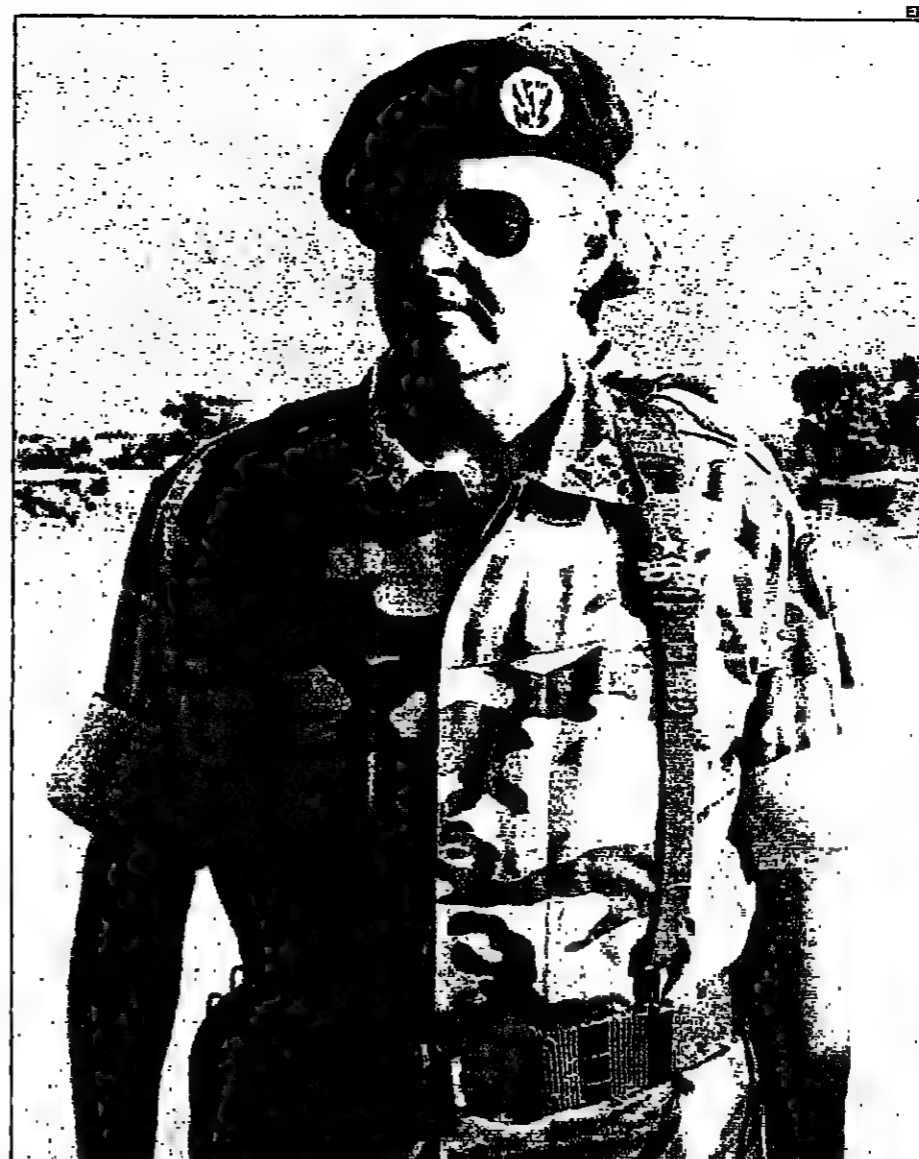
A committed Catholic, he displays a fine tenor voice at Mass on Sundays. "He even sings opera and military songs while shaving," said his wife, Raffaele.

General Loi's integrity and ability meant he stood out as a rising young officer during the 1982 multinational intervention in Lebanon. A natural choice to head the delicate Somali operation a decade later, he afterwards took charge of the military academy at Modena, from which he had graduated in 1984, with the job of "shaping the Italian army of the future".

That task has been overshadowed by the revelations about the conduct of Italian peacekeeping troops — hitherto thought of as easygoing and benign — in both Somalia and Mozambique.

General Loi's admirers hope he will come through unscathed. But, ominously, officials recall an episode last year when a Modena Academy cadet committed suicide. General Loi's observation that "there is no room in the army for young men struggling with their conscience" was seen as insensitive and brought calls in Parliament for an explanation.

Beniamino Andreotta, the Defence Minister, defended him. "But he might not do so again," one official said, "especially if he needs a scapegoat for Somalia." The general said that his Christian faith was keeping him buoyant — "rather as a parachute keeps you floating serenely down to the ground".



General Bruno Loi arriving in Mogadishu in 1992 at the head of an Italian peace force

## Screen icons take to the streets

WHEN Rome needs big names to bestow on new piazzas and streets, it looks to the cinema. There is already a Piazza Federico Fellini and there are plans for streets to be named in honour of Marcello Mastroianni, the great star of Fellini's films, and Massimo Troisi, the star of *Il Postino*. Both actors died last year.

But Rome city council is running out of Italian stars and turning to world cinema — in particular the classics of silent comedy, including Charlie Chaplin and Laurel and Hardy.

There may eventually be a Via Rowan Atkinson, or Piazza Mr Bean. The British actor's (largely) silent comic creation has just been introduced to Italian television audiences and is an instant hit, with critics comparing Atkinson to the much loved Neapolitan master of rubbery features and deadpan comedy, Totò.

*La Repubblica* praised Mr Bean as "an irresistible cocktail of mulevolence and ingenuity", and explained that the show had come late to Italy because Atkinson regularly takes his holidays in Sardinia and had not wanted to be recognised.

## Monumental task poses problem

ITALY'S tangled relationship with Africa can be traced to the Mussolini era, when the Fascist dictator colonised Somalia, Libya and Ethiopia as part of plans to recreate the Roman Empire.

This week another colonial legacy returned to haunt Italy when experts advised Walter Veltroni, the left-wing Culture Minister and deputy Prime Minister, that the Axum obelisk in Rome was "too fragile" to be returned to Ethiopia. The obelisk was removed in several

pieces from the holy city of Axum by Italian troops in the 1930s and re-erected in 1937 outside the Ministry of Colonial Africa near Rome's Circus Maximus.

The Ethiopians have repeatedly asked for it back, and last year Italy agreed — in principle. But technical experts said dismantling the monument would "risk irreparable fractures". To Ethiopian ears that sounds like an excuse. Addis Ababa is demanding the right to send its own "experts" to Rome.



A couple resting in front of a painting titled Model by Austrian artist Peter Kögler, among the 700 works at "documenta X", the world's biggest art exhibition, in Kassel, Germany

## González quits as party chief

Madrid: Felipe González, Spain's former Prime Minister, stunned his Spanish Socialist Workers' Party yesterday by declaring that he was standing down as its Secretary-General after 23 years (Giles Tremlett writes).

His announcement threw the party conference, which opened here yesterday, into chaos. A new leader will be chosen tomorrow.

No challenge had been expected to Señor González, 55, who was Prime Minister from 1982 to 1996. Speculation on a possible successor has turned to Javier Solana, the Nato Secretary-General, who is supervising a reorganisation of the military alliance and will not be available before that is completed next month.

## German company used Jews' gold

FROM ROGER BOYES IN BONN

DEGUSSA, one of Germany's oldest and most respected companies, yesterday admitted it had probably been involved in melting down gold taken from Jewish concentration camp victims.

The statement by the Frankfurt-based precious metals company will stir further controversy over the wartime German and Swiss economies. Earlier this week, a BBC investigation accused Switzerland of melting gold teeth and other valuables seized from Jews by the Nazis. The gold's high mercury content was typical of pre-war tooth fillings.

Degussa, under international pressure to acknowledge its part in the affair, has now promised to open up its archives. An academic re-

searcher from Cologne University will, it says, shed independent light on Degussa's wartime history.

The World Jewish Congress will also be given access to documents that catalogue the price and quantities of gold and silver received for smelting from the Nazi regime. These papers do not show the metals' origin — an omission that has always let Degussa claim a clean record.

However, a spokesman said yesterday that company papers in Berlin indicated gold and silver, apparently taken from Jews, were handled by Degussa. Other US military reports, compiled in 1945, were more specific, saying that gold was delivered by the SS and was

mainly taken from Jews in the camps.

All valuables taken from camp victims were eventually sent to the monetary deposit section, and then on to Berlin. It seems likely, therefore, that the SS dealt directly with Degussa: the plunder was seen as part of the SS's independent wealth.

Degussa's decision to come clean follows frank company histories by Daimler and Volkswagen, both of which now admit using slave labourers. The Allianz insurance company has also recognised that it might have profited from unredeemed life insurance policies. It has recently set up a telephone line to answer queries from relatives of murdered Jews.

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Continued on page 27

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بسم الله الرحمن الرحيم





**SATURDAY JUNE 21 1997**

# Paris and Frankfurt bourses set out to rival City

THE stock and futures exchanges in Frankfurt and Paris yesterday announced a plan to merge their operations, hoping to challenge London's position as the financial capital of Europe.

Werner Seifert, the Börse management board chairman in Frankfurt, said: "We will combine the cash market and the futures markets." Jean-François Theodore, head of the Bourses Françaises, said that the link-up was planned for 1998. Both men were speaking at a securities industry conference in Frankfurt.

The alliance will create a common trading platform for stocks, futures and other financial instruments. Officials and experts from the two cities are negotiating details.

According to a Börse spokesman, operations will be combined gradually. He said: "There will be no Big Bang." The issue of who will regulate and supervise the markets has yet to be addressed.

The bourses of Frankfurt

**The Paris bourse would link with Frankfurt's under merger plans now being negotiated**

BY CHRISTINE BUCKLEY, INDUSTRIAL CORRESPONDENT

THE departing chief executive of British Energy was paid a bonus worth more than 59 per cent of his salary last year, including a 15 per cent bonus as a reward for the pressures of privatisation.

The payment of £122,370 to Bob Hawley, who is this month leaving the company with a £450,000 pay-off "to pursue other interests", included £31,000 in benefits for his flotation last summer.

"British Energy was sold amid controversy when it disclosed that it had suddenly shut two reactors because cracks had been found. The announcement came after the deadline for private shareholders' applications. Shares in British Energy plummeted to a discount upon flotation, leaving investors nursing a loss for weeks.

The company's remuneration committee said that the bonus for a successful flotation was "in recognition of the contribution made by the directors to the success of the process while ensuring maintenance of ongoing operations".

Dr Hawley's total pay package rose by 49 per cent, to £384,166, in the year to March 31, from £258,242 in the previous year. He also received £31,914 for relocation and accommodation and £22,522 for other benefits.

□ Five ScottishPower directors received bonuses totalling nearly £400,000 last year. Ian Robinson, chief executive, received a package of £397,256, including a bonus of £102,200.

**THE POUND** surged to a post-ERM high yesterday as speculation grew in the money markets that the Bank of England is set to make hefty rate rises.

The pound closed up 2½ pennings at DM2.8647, helping sterling's trade weighted index reach a five-year high at 101.2. The pound also made ground against the dollar, from \$1.6463 to \$1.6539.

Strong economic data published this week, which shows consumer spending booming, has led economists to revise interest rate predictions upwards. New data published yesterday showed credit card spending and consumer confidence close to all-time highs.

But interest rate and Budget fears continued to trouble the stock market, with the FTSE 100 closing down 59.8 points, at 4,593.9. The market has fallen 1,930 points this week — nearly 4 per cent of its total value — since last Friday's record high. Traders said that with Budget worries set to dominate the FTSE is likely to continue to struggle.

The pound's renewed strength prompted rumours that the Bank of England was checking prices in the market with a view to intervening to dampen sterling's strength, although the Bank made no move yesterday. Traders believe the pound will remain strong, with the forecast rate rises leaving UK rates well above levels in Europe and in America, where expectations of further rate rises have preceded in the past few weeks.

Until recently the money markets had been forecasting interest rates would rise to around 7.25 per cent by the end of the year. But Michael Dicks, UK economist at Lehman Brothers, yesterday predicted rates could reach 9 per cent next year unless there are tax rises to the tune of £7 billion in the Budget.

The pound will also benefit from further EMU uncertainty and market fears that Europe is heading for a soft single currency. Adam Cole, UK economist at James Capel, predicted the pound will head towards DM2.90 and did not rule out a further rise towards DM3.00, above the old ERM central parity rate of DM2.95.

New evidence of the booming consumer sector emerged in credit card data yesterday, which showed total credit and debit card spending jumping to £8.2 billion, a rise of 19 per cent from May, 1990.

Card spending on household goods rose at an annual rate of 35 per cent while there were strong increases in card purchases of clothes, which rose 22 per cent, and food and drink, up 20 per cent. But expenditure on travel, the largest element of card spending, rose by a below-average 15 per cent overall and by just 10.5 per cent on credit cards. The Credit Card Research Group blamed the poor figures on travel agents making surcharges on card payments.

The latest European Commission consumer confidence survey showed the interest rate rise this month had failed to dampen confidence among UK consumers.


## 35 Anne Ashworth on the Nationwide affair

## 33 Budget plan for perks

## 34 Dilemma over changes to pension schemes.

## INVESTMENT 1

**36**  
toning  
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unnel



## INVESTMENT 2

# 39-42

Peps special.  
Windfalls and how  
to shelter them

## Guinness merger set for full inquiry

BY ALASDAIR MURRAY

**MICHAEL HARDERN**, the dissident member standing for the Nationwide board, faces legal action after admitting that he had falsified birth dates when making account applications and encouraged others to use false addresses.

Mr Hardern, who was once determined to force the Nationwide to convert, now supports its building society status.

The Building Societies Association said that, in its view, Mr Hardern's activities were illegal. The Building Societies Commission, the industry watchdog, has described Mr Hardern's advocacy of the use of false addresses as "an incitement to the public to make false statements", which would be "likely to be so considered in a court of law".

The commission, which has the power to enforce the expulsion of directors if they are deemed not "fit and prop-

er", denied that there had been pressure exerted on Mr Hardern to abandon his pro-conversion stance.

However, a commission spokesman said: "The primary duty of a building society board is to protect its savers' money. Directors should, therefore, be able to demonstrate prudent, good character and a high degree of personal integrity."

The Nationwide is writing to its 3.5 million members this weekend to inform them of Mr Hardern's changed views.

□ Halifax shares soared 30p to reach 775½p yesterday, in anticipation of the bank entering the FTSE 100 index at the beginning of next week. Index analysts believe that shares are believed to hold about 15 per cent of the shares in the UK market, will have to hold shares in the Halifax from Monday.

**T**HE European Commission revealed yesterday that it will be launching a full-scale competition investigation into the planned £23 billion merger between Guinness and Grand Metropolitan.

The US Federal Trade Commission also confirmed overnight that it would be investigating the merger further, although it gave no specific reasons for its concern.

The decision of the two authorities to proceed with more detailed investigations will increase City concern that the deal could run into trouble. Bernard Arnault, chairman of Guinness's partner, LVMH, unexpectedly snapped up a 6 per cent stake in GrandMet on Thursday, prompting speculation that he could attempt to block the deal.

The Commission said in a statement that it was worried about the impact of the merger on the European whisky market where the combined share of the two companies would reach 40 per cent in some countries. It added that it would also explore the "significant" overlaps in the gin and cognac markets. The investigation, known as the "serious doubt phase" is expected to last until October.

Shares in the two companies fell back yesterday after M Arnault's unexpected raid which boosted the share prices on Thursday. GrandMet shares closed down 14p at 599½p, while Guinness fell 12p to 591½p in heavy trading. The City is anxiously awaiting Arnault's next move. M Arnault, who is in the US on business, maintained his silence on LVMH's strategy.

**Tempus, page 32**

## Stellican's £8m auction success draws icy response from club

## UK firm nets top Italian side

BY CHRIS AYRES


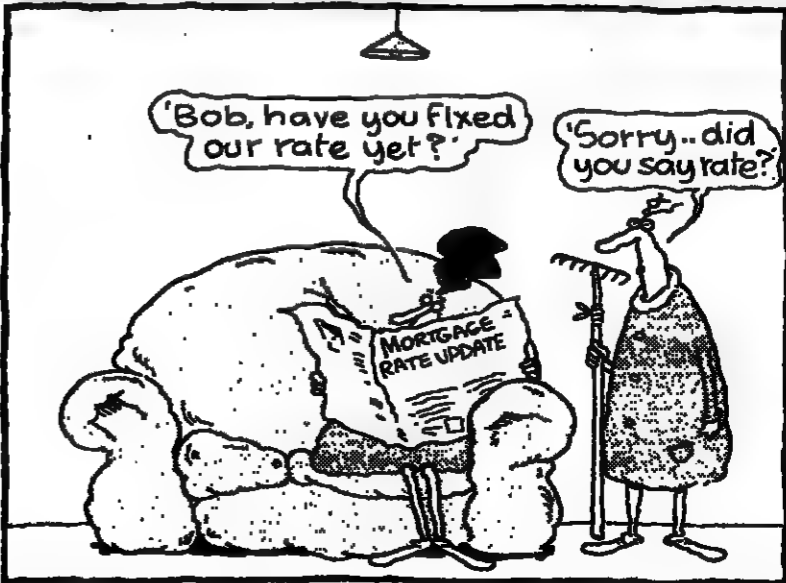
THERE may be only one English player in the top flight of Italian football, but a British company yesterday became the owner of the current holders of the Italian version of the FA Cup.

Vicenza, which competes in Italy's top Serie A league and won this year's Coppa Italia, was snapped-up by Stellican, a British investment company run by a friend of the Princess of Wales, for 22.75 billion lire (£8.1 million) at an Italian bankruptcy court auction. It took three days of frantic negotiations for Stellican to close the deal. Two Italian companies and a consortium of local businesses made rival bids for the club, only to withdraw their offers at the last minute.

Vicenza ran into trouble when its owners became bankrupt, despite the club being profitable, after a successful season in Serie A when it qualified for next season's European Cup Winners' Cup. Stephen Julius, the managing director of Stellican, is half-Italian and came to prominence three years ago when he escorted the Princess of Wales to a rugby match in Cardiff. He said yesterday: "At the end of the day it doesn't matter who owns the club, as long as it is looked after and developed. In many ways this deal could be an indication of things to come in football."

The club, based in prosperous northeast Italy, gave an icy response to its new owner. Sergio Gasparin, director-general of the club, said: "All I can do is take note of the decision reached by the Milan court."

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### GILT ATTRACTIONS 43

Treasury tries to attract more buyers

# WEEKEND MONEY

### INTO ACTION 43

Top brass help for plight of service widows



THE TIMES: PERSONAL FINANCE NEWSPAPER OF THE YEAR

## Perks and Peps under pressure

Anne Ashworth and Karen Zagor look at the implications of tax changes expected to be made by the Chancellor

The £7 billion black hole discovered this week in the public finances has raised the chances of higher taxes in the Budget. Employee benefits, the perks of the job, and personal equity plans (Peps) could be two of the targets.

Perks: the taxation of company cars is now less lenient, with employees paying as much as 35 per cent of the cost of the car in tax. However, Deloitte & Touche, the accountancy firm, suggests that the Chancellor could alter rules cutting tax bills for those who drive more than 2,500 business miles a year. Some believe that these concessions encourage the use of cars, contrary to Labour policy.

Car parking was taxed as a perk until 1988 when it was abandoned as too administratively complex. However, Mr Brown could still rule that the taxable benefit of this perk should reflect the cost of parking in a commercially run site. A season ticket for a National Car Park in the West End of London costs £5,220 a year. A higher rate taxpayer would face a tax bill of £2,090 on the benefit.

Tax relief on PRP is already being phased out from a maximum of £4,000 to £2,000 in 1998, £1,000 in 1999 and to nil in the year 2000. Philip Fisher of Chantrey Vellacon, the accountants, says Mr Brown could bring forward the removal of the tax relief and prevent the registration of new schemes. Labour is hostile to schemes that allow employers to save by offering tax-free PRP as a substitute for a pay rise.

Peps: the nation's three million Pep investors would be left some £100 million poorer from a 5 per cent reduction in the dividend tax credit,

now seen as almost a foregone conclusion. The current rate is 20 per cent. Among the other losers would be anyone paying into a pension, charities and higher-rate taxpayers with shareholdings. According to Chantrey Vellacon, the 19 million pension scheme members and personal pension plan holders would be £1.4 billion worse off — almost equivalent to a 1 per cent rise in income tax.

The dividend tax credit is a by-product of Corporation Tax (ACT) which is paid by companies when they distribute a dividend. Pension funds, charities and other tax-exempt funds are entitled to reclaim this tax. Pension funds may receive an extra £4 to £5 billion a year from this source. The shortfall from a lower tax credit rate would mean higher employer and employee contributions.

A tax credit cut would also make Peps significantly less attractive for basic-rate taxpayers. There is no income tax on the dividends earned by Pep investments. The Pep managers reclaim the tax credit on behalf of investors. If the tax credit were lower, so would be the income earned by the Pep. Higher-rate taxpayers would still be better off, because if they held the investments outside a Pep they would pay an additional amount of tax on the dividend.

Childcare: the Chancellor's hopes to cut government spending by encouraging lone parents back to work are now seen as likely to founder, unless he can introduce tax incentives or benefits to help to pay for childcare. In a report to be published next week the Daycare Trust will call on the Chancellor to



use the windfall tax receipts to introduce a new, targeted childcare benefit payment. The organisation estimates that the changes would cost the Treasury £200 million but would ultimately mean savings in benefit payments and increased tax revenues. At present, the tax system's only contribution to the cost of

childcare is the workplace nursery scheme. The only childcare help for families on welfare is the Childcare Disregard, which pays an average of £18.71 a week.

The Daycare Trust proposes an allowance of up to £70 per week per child under the age of 14 for families on or just above the Family Credit

limit. Family Credit is the state benefit for working families on a low income. The trust estimates the changes would help 450,000 families.

If he were minded to introduce tax incentives for childcare, Mr Brown could find models in other countries. In Canada, parents who need to employ someone to look after their

children while they work can get tax relief of up to \$5,000 for every child under the age of seven and \$3,000 for children between seven and 16. In France, where childcare is free for three to five year olds, 82 per cent of single mothers work, compared with only 41 per cent in Britain. In Sweden, where 70 per cent of single

mothers are employed, the state covers the cost of day care for 72 per cent of three to six year olds.

In the UK, a typical two-earner family with two children can expect to pay at least £120 a week, or £6,240 a year, in childcare.

Peps special, pages 39-41

Any move to levy big rises in stamp duty in next month's Budget will send the housing market recovery into a tailspin, with the booming London and South East market hardest hit, lenders said this week (Sara McConnell writes).

Rumour is rife that Chancellor Gordon Brown could raise the duty by up to 7 per cent in his Budget. Currently buyers have to pay stamp duty of 1 per cent on transactions of over £60,000, immediately adding at least £600 to the cost of housebuying. At 8 per cent, the cost would rise to £4,800 on a property costing £60,001. A buyer completing on a property costing £100,000 would face an extra bill of £8,000.

Barry Naisbitt, chief economist at Abbey National said: "There would be a very significant upfront cost and many people would withdraw from the market." He added: "There would be a very sharp effect in Greater London

## Lenders fear big stamp duty rise will kill recovery

where the average property now costs more than £100,000.

The Council of Mortgage Lenders predicted that a large rise in stamp duty would "definitely thrust the market back into slump" and cause a "massive downturn" in levels of transactions. It argued that the projected tax take of £4 billion a year was too high because such a prohibitive rate of stamp duty would force

down the number of sales. Currently stamp duty raises about £1 billion a year for the Treasury.

Housebuyers should step up pressure on their solicitors, estate agents and sellers to complete their purchases before July 2 to protect themselves from the possibility of large stamp duty rises, the council said. Buyers cannot prepay the tax to benefit from the existing rate.

The Royal Institution of Chartered Surveyors (RICS) has warned the Chancellor that "any increase in stamp duty, particularly to a rate as high as 6 per cent or 7 per cent, would price many homebuyers out of the market and deal a severe blow to a market which remains fragile in many parts of the country".

RICS called on Mr Brown to change the structure of stamp duty so that only the part of the price over the stamp duty threshold is taxed.

Currently buyers become liable for tax on the whole purchase price immediately they breach the threshold.

Lenders are also continuing to press Mr Brown not to reduce or abolish tax relief on mortgage interest relief (MIRAS). After the latest rate rise, the tax break is worth £30 a month on interest of up to £30,000, up from £28.50 a month. Observers believe the absence in the Government's continued on page 34, col 6

WEEKEND MONEY is edited by Anne Ashworth

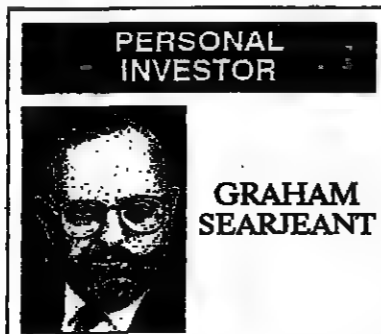
## Cocktails at twenty paces

Don't get in bed with the French is a maxim that public companies in Germany and the Low Countries, as well as Britain, have learnt too late. Like any prejudice, it is unfair. Many successful French firms are more strategically acute and better managed than their rivals. As partners, however, French industrialists tend to operate as French diplomats from the same schools do in Brussels: pursuing national interest ruthlessly and aiming to control the enterprise without paying.

French management is often good, but this style grates with the Anglo-Saxon way of doing things — not least respect for rights of other shareholders. Some of us were therefore dubious from the start about the much-lauded 1987 agreement that yoked Guinness and Moët Hennessy Louis Vuitton in a deal vital to the fortunes of both.

The agreement symbolised a new start after the trauma of the Ernest Saunders affair. It centred on joint marketing of the two companies' top wines and spirits brands, including Johnnie Walker Scotch and Gordon's Gin, in key markets such as Japan, the Orient and America. Given that Guinness would have been barred from buying a top French drinks group, this looked the next best thing. But the continental-style agreement was, of necessity, complex. It was also buttressed by substantial cross-shareholdings. These were not equal.

LVMH, as it is abbreviated, had a direct stake in Guinness, once a near-controlling 24 per cent, now 14 per cent. But Guinness's stake in LVMH was really in the pocket of Bernard Arnault,



PERSONAL INVESTOR

GRAHAM SEARJEANT

the man behind the deal. It helped the ambitious, teleological French financier to assert control over LVMH after a battle with rival interests. In 1994, this scheme was replaced by one that left Guinness a prisoner of M Arnault. It took a direct 34 per cent minority stake in Moët Hennessy, an LVMH subsidiary. Few shareholders raised an eyebrow, because the joint venture marketing companies did jolly well. They account for a third of Guinness trading profits.

For those who cared to look, however, the arrangements were an ideal web to help M Arnault gain effective control of Guinness, or its main spirits division, should he wish to do so.

The world spirits trade as a whole, though strong, is somewhat stagnant, along with the fortunes of Guinness and the other two big UK players: failed brewers Grand Metropolitan and Allied Domeq. What to do? Fund managers demanded some corporate manipulation to boost their quarterly returns. The

Anglo-Saxon answer was a mega-merger between Grand Metropolitan and Guinness, much of whose post-Saunders management had come from GrandMet's 'IDV. The brands fitted, jobs could be slashed and monopoly positions reinforced.

Again, Guinness management underestimated M Arnault, a non-executive director who has ammunition and every right to press LVMH's strong interest. M Arnault was against it. But so what. He was just a minority shareholder. So LVMH has thrown the book of contracts at Guinness, forcing law suits or arbitration, and has bought a costly bargaining stake in GrandMet. One more hostile voice in battles with competition authorities would not help either.

M Arnault seems to have an alternative plan to merge and float separately the spirits arms of Guinness, GrandMet and LVMH. In the spirit of the Guinness joint ventures, this might have more industrial logic. Except that everyone knows the merged company would somehow come under M Arnault's control. But the British groups face an uphill battle to bring their own plan to fruition. Watch this space.

The mess stems from trying to marry direct Anglo-Saxon ways, which force Guinness to do something exciting for shareholders, with a continental style that cherishes long-term relationships but exerts minority control that leaves outside investors in the cold. The advantages are not all one-way. Had Eurotunnel not been an Anglo-French joint venture, it would have gone bust long ago.

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# The General goes into action again — this time in Whitehall

For the past three months Weekend Money has reported on the plight of war widows and service pensioners who felt let down by successive governments. With a change of government, there is optimism that the situation will improve. Jenny Grove reports

Campaigners for better rights for armed forces widows are to put their case to Labour, in the hope of justice from the new Government. The 54,000 strong Officers' Pensions Society, headed by Major-General Peter Bonnet, is seeking a meeting with John Reid, Armed Forces Minister.

The society, which campaigns on behalf of all ranks, is trying to reopen the debate on the Armed Forces Pensions Scheme, several aspects of which it sees as unfair. Young widows lose their pensions if they remarry. This threat of the removal of their pensions means that they are unable to get loans because their income is not guaranteed. Elderly widows receive severely reduced pensions, simply because their husbands retired before a certain date.

In Parliament last month Oliver Letwin, MP, asked a question about widows who receive only one-third of their husband's service pension. However, John Spellar, Parliamentary Under Secretary at the Ministry of Defence, refused to raise the rate from one third to one half on the grounds that improvements to

major public service schemes "should not be retrospective".

About 52,000 elderly widows still receive "third-rate" pensions simply because their husbands completed their military service before March 31 1973. On that date the rate was raised from one third to one half, but ministerial munificence was not extended to widows of those who had already retired — their pensions remained at the old rate.

"The blatant unfairness of

Clare forfeited her war widows' pension when she decided to live with Des Barnes, only to lose both her man and her income when the relationship foundered. A war widow loses her Department of Social Security and Forces Family pensions if she remarries or lives with a man as husband and wife. These pensions are now restored if the second relationship ends.

The ramifications are far reaching. War widow Jane

## 'MPs voted themselves a retrospective pension rise but refused war widows'

this is that these are elderly widows of men who fought for the nation through the Second World War. Last year MPs had no difficulty in breaching the no-retrospective principle when they voted themselves retrospective improvements in their pensions," General Bonnet commented.

Coronation Street recently drew attention to another shortcoming of military pensions when it featured Clare Palmer, a war widow who fell in love. In the television series,

Burrows, 32, whose husband was killed by an IRA bomb seven years ago, was refused a loan on the grounds that her pension was not paid for life.

"We are campaigning for all military widows' and widowers' pensions — not just war widows — to be paid for life, in line with private sector practice. That was what Sir Michael Bett recommended in his review of the Armed Forces Pension Scheme," General Bonnet said. The society is also fighting for widows such as



Kate Bartholomew, pictured in April, when Weekend Money highlighted the problems of widows who married after their husbands left the services

Kate Bartholomew, 75, who gets no military pension, because she married Major John Bartholomew after he had left the Army. His first wife died in 1973, and he retired from the forces in the same year.

Until April 6, 1978, widows of post-retirement marriages received no military pension. On that date the rules were changed to enable such widows to get a pension, but only if their husbands served in the forces after April 1978.

Also on the agenda are widows such as Mrs Betty Ives, 72. Mrs Ives' husband, Major Desmond Ives, received a depressed pension because he left the Army during the so-called pension "trough" year of 1977. His pension was based on pay rates on the day he retired, then limited by pay restraint.

By contrast that year, pensions of those already retired leapt 17.7 per cent — in line with the RPI. As a result, his pension was much lower than those of equivalent rank and length of service who had retired before him. Since his death 12 years ago, Mrs Ives' pension — one half of her husband's — has been correspondingly lower.



Jane Burrows with her son Mark holding a picture of her late husband Stephen who was killed on duty in Northern Ireland. She was refused a car loan after his death on the grounds that her war widow's pension was not paid for life

# 2, 3, 4.

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## Adam Jones says the Chancellor is looking closely at tax havens

## Thinking of going offshore?

Investors with money in offshore trusts could find the rules governing their tax affairs tightened up in the new Chancellor's first Budget next month.

Before the election, the Labour Party gave warning that some offshore financial arrangements needed to be taxed more rigorously, railing against the "excessive level of secrecy that is designed to frustrate both the Inland Revenue and UK law enforcement officers".

Now, with Gordon Brown's first Budget due on July 2, those members of the UK public with assets held in one of the world's many tax havens may be wondering if they are to be squeezed.

Offshore financial houses operate out of a range of "jurisdictions" such as the Caribbean or the Channel Islands.

For private investors, the services available offshore include sterling and foreign currency bank accounts, mortgages, bonds, and managed funds, as well as trusts formed to hold assets at arm's length. There is

also a range of aggressive products which could not operate in the UK's tight regulatory regime, such as the fabled hedge funds whose speculation on currency movements have been held responsible, due to some exaggeration, for episodes such as the pound's traumatic withdrawal from Europe's exchange-rate mechanism. The choice is much more diverse than that found in a UK high street, with international players such as the big US banks standing shoulder to shoulder with subsidiaries of familiar UK firms.

One senior offshore banking figure believes a change is likely in the tax treatment of trusts. He said: "I suspect the Labour Government will be looking at inheritance tax (IHT) very closely. If you want IHT to bite, then you have to look at the way people are avoiding it. One way is quite clearly through trusts."

David Kishaw, a tax partner at KPMG, says Gordon Brown could end a provision that allows people with offshore trusts created before 1991 to defer capital gains tax

until the money is brought back into the country. He could make the tax payable immediately or raise the interest rate charged on the deferred tax.

Contrary to the widespread preconception, customers using offshore services are not all British expatriates. They include doctors, dentists, accountants and lawyers who want to shield some of their assets from possible professional indemnity claims, as well as rich individuals who use offshore trusts as part of tax planning strategy.

Among them are also foreign nationals living in the UK and residents of politically unstable countries seeking a secure home for their money.

The Treasury has so far given little away on Labour's plans to tackle the offshore tax and regulation issues. A Treasury spokesman was enigmatic, saying that Dawn Primarolo, Financial Secretary to the Treasury, was examining all the available options of revenue raising. It is unlikely that the tax treatment of offshore bank accounts, perhaps the simplest offshore financial arrangement, will be significantly changed. The biggest jurisdictions, such as the Cayman Islands, have nearly \$500 billion each in banking deposits, with the Channel Islands holding about \$230 million, both from a global base.

UK banks are making their offshore accounts more mainstream by introducing services found on the mainland, such as telephone and even Internet banking in the case of Royal Bank of Scotland, but they very rarely advertise in Britain. This is partly because the banks want rich customers who are more likely to come to them than be lured by an advert.

Besides, the interest rates offered offshore are generally no better than those on the high street. The circumvention may also be due to a reluctance to alienate the Revenue, which might not be too happy about banks persuading UK taxpayers to transfer their assets out of the country as taxpayers must declare all money earned outside the UK each year.

Interest rates offered offshore are generally no better than those on the high street



Behind the palm-fringed beaches, areas such as the Cayman Islands have nearly \$500 billion in deposits and big US banks stand next to subsidiaries of UK high street banks

JILLIAN GASH



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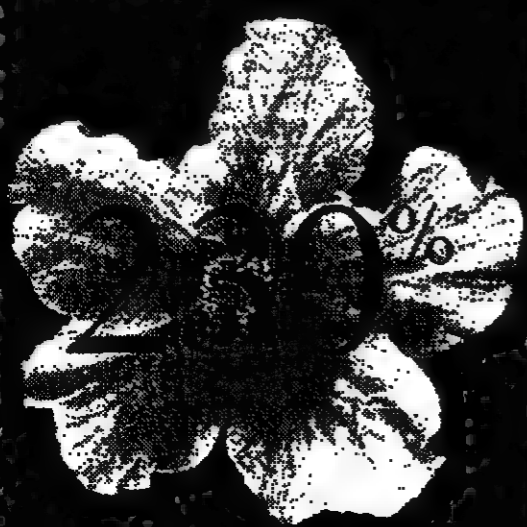
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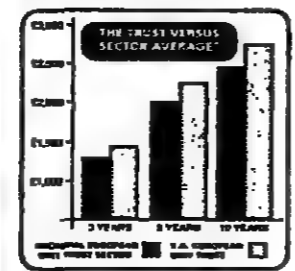
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**Thousands of people who never ventured beyond the safety of a building society now have shares. Caroline Merrell explains how to shield these gains from tax**

The argument in favour of pepping windfall shares is very strong. Norwich Union and Halifax's dividend yield

The question for the millions of newly fledged building society shareholders is where they should put their windfall shares. Some companies will accept the shares into a Pep, while others will demand that the shares exchanged for units in unit trust Peps. It is also possible to hold the shares within a single company Pep — however, windfall investors should note that it is only possible to take out one single company Pep per year.

Gartmore, the unit trust company now owned by Nat-West, will accept the windfall shares in its investment trust Pep. The plan carries no initial

A black and white photograph of a woman standing in a field of large, dark, leafy plants, possibly a garden or orchard. She is wearing a light-colored, patterned dress and a headscarf. The plants are dense and cover most of the frame.

Windfalls, like these juicy apples lying in a Kent garden, are often sweeter than plucked fruit. Windfall shares have the same effect on their recipients

charge, however, it does carry an annual charge of 0.5 per cent, a 1 per cent charge for reinvesting the dividends and another 1 per cent charge for switching to another class of share within the trust. This Pep also requires that the windfall investor put another

Guinness Flight's windfall Pep carries no initial charge and a 1 per cent annual fee. The fund manager does not require windfall investors to put any more of their own cash in the Pep. Other windfall Peps

that require no extra investment include those offered by Mercury, M&G, Perpetual and Save & Prosper. Mercury's has no initial charge and will only charge the Pep holder a maximum of £15 per year, regardless of how many shareholdings are transferred.

extra investments in their Peps include Henderson, Invesco, Schroder and Singer & Friedlander. Henderson for instance, has no initial charge, but will charge a £5 dividend collection fee. Anyone who puts their windfalls in Henderson's Pep will have to invest an ad-

£1,000. Schroder is offering windfall investors an investment trust Pep. This carries no initial charge, but instead carries an annual charge of 0.5 per cent. This company insists that a further lump sum investment of £3,000 be put in the Pep.

and also offers general and single-company Peps. The scheme carries a minimum investment of £3,000.

Out of all the Peps on offer that allow investors to hold on to their shares, BEST Investment, the independent financial adviser, only recommends those plans from Perpetual and Guinness Flight.

Some financial advisers believe that it is not worth holding on to windfall shares, as the banking sector itself is overvalued. Over the past few days, the FT-SE 100 index has begun to fall, on the back of fears over increases in interest

As the banking shares have climbed on average higher than the rest of the shares in the market, they could fall further.

John Spiers, of BESI Investment, said: "Halifax shares are trading at almost double the level predicted six months ago. For private investors just doing nothing has been the best policy, but we think bank shares are no longer a one-way bet."

He added: "Owning individual shares is not the best investment policy for most people, it involves too much risk and requires continuous monitoring. Our advice is to buy into a managed fund." The eagerness among fund managers to attract windfalls means that many are offering cheap entry into their funds.

Those that are offering exchange options into Peps include HSBC, Kleinwort Benson, Marks & Spencer, Schroder, Jupiter and Virgin Direct. None carry an initial charge for setting up the Pep. Kleinwort Benson, HSBC and Jupiter will charge for buying the units, all carry annual management charges of up to

Those who do choose to exchange their windfalls for units should look at the past performance of the funds.

☐ **The Association of Unit Trusts and Investment Funds** is offering a free guide to windfall shares. To obtain a copy, please telephone the association on 0181 207 1361.

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**A**nyone resident in the UK for tax purposes who is aged 18 or more can buy a Pep (Marianne Curphey writes). An investor may take out just one general plan and one single-company plan every tax year, running from April 6 to the following April 5. Up to £6,000 can be sheltered from tax in the general plan. A total of £3,000 can be sheltered in the single plan.

Husbands and wives each have a Pep allowance, so a couple could invest up to £18,000 a year in Peps.

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**T**hough they are classed as having no value, when you come to sell the free shares you will make a capital gain equivalent to their original value plus any appreciation in the interim. For this reason, if you have several sets of windfall shares and you intend to sell them all in this financial year, you should consider Pepping them. If they are worth more than £6,300 together and not in a Pep, you will have to pay capital gains tax at your highest rate of tax.

Several fund managers will allow you to hold shares within an ordinary Pep. They include Fidelity, John Govey and Perpetual.

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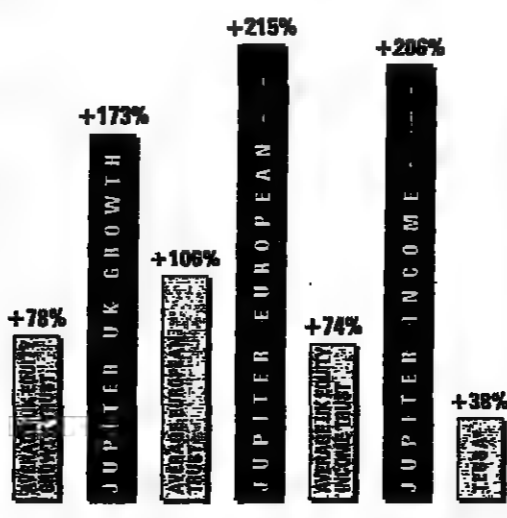
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Don Ameche got more than he bargained for when he took on Eddie Murphy as a manager in *Trading Places*

Helen Pridham says moving managers is not always plain sailing

## Trade in your old plan for a new one

Personal equity plans should be long term investments but that does not mean you have to stay with one plan manager all the time. If your existing Peps are underperforming or your requirements have changed, you can transfer your existing investments to another manager without affecting the tax status of those plans or using up your current year's PEP allowance.

"Investors often do not realise that they can move their Peps between plan managers," said Jason Hollands of BEST Investment, the independent financial adviser, "but awareness is starting to grow." He recommends that people who have several PEP holdings should review their performance from time to time and check if the geographic spread is still appropriate. A transfer may be advisable.

Pep transfers are likely to become increasingly common in years to come as people's circumstances change said Hayden Green of The Pep Shop in Nottingham. "Investors who originally took out Peps for capital growth will want to switch into income funds as they reach retirement and this may well involve transferring to another manager with a better equity income or corporate bond PEP," he said.

Transferring a PEP can be to an investor's advantage but it is seldom trouble-free. Although it does not actually involve the investor in much work — you just instruct the new manager who gets in touch with your previous provider to arrange the transfer — snags can arise:

■ **Time:** The transfer process can take longer than you expect. An efficient manager can release your investment within a

week but financial advisers say the average is two to four weeks. However, it can take longer. Don Clark, of PepDirect in Wolverhampton, said "I have known of at least one transfer that took 10 weeks to complete." Fortunately, most of this time is taken up with the paperwork, the actual period for which your money is not invested as it passes from one manager to another is likely to be only four or five days.

Peter Ship, of the Pep Managers Association, said the problem is that managers losing business do not give transfers top priority, though most are not breaking any rules. "Reven-

■ **Bundling:** If you have invested several years of PEP allowances with one manager, you may find it impossible to disentangle them and transfer, say, just one year's worth to a new manager. This is because most leading PEP managers, including Credit Suisse, Gartmore, Perpetual, Save & Prosper and Schroder, "bundle" together the separate years into one plan.

They argue that this procedure is administratively more convenient for them and for clients as well since they receive details of all their Peps on one statement. However, Fidelity which does not bundle its Peps,

share. The Investment Ombudsman recently criticised the practice of bundling in his latest annual report saying that it had resulted in "an unnecessary restriction of consumer choice."

■ **Cost:** Some cost will usually be incurred in transferring from one PEP manager to another, though an improvement in performance could more than make up for this within a relatively short space of time. First of all, you may have to pay something to the manager you are leaving.

Some plans have exit fees if you transfer during the first three to five years. These include unit trust plans offered by Guinness Flight, M&G, Legal & General and Virgin Direct. Some other plan managers levy flat fees. Henderson, for example, has a £20 charge.

Even if you do not have to foot any bills on leaving, you will often be faced with paying your new PEP manager an initial charge which could be anything up to 6 per cent on a unit trust plan. So if you were transferring, say, three years' general Peps, the cost could amount to more than £1,000.

However, some managers reduce or even waive their initial charges for transfers. Perpetual and Credit Suisse, for example, take a reduced initial charge of 3 per cent on transfers instead of their usual 5.25 per cent. Fidelity will make no charge at all if investors transfer direct rather than through a financial adviser. Another way to reduce or eliminate the initial charge is to use a discount broker such as PepDirect or The Pep Shop which will rebate to you the commission they would normally receive on a transfer.

### 'I have known of at least one transfer that took 10 weeks'

ue guidance notes state that a transfer should take place not more than 30 days after the investor's instructions are received by the manager. "Time taken may be influenced by the PEP type. A unit trust simply needs to be sold and the proceeds passed on to the new manager. But if you have shares which you wish to transfer, this may take longer because the plan manager will have to re-register your shares via the company registrar. This can be used as an excuse," said Mr Ship.

Problems can arise over outstanding dividend tax credits. There is always a gap between dividends being paid and managers getting tax back from the Revenue. If a transfer takes place, the capital will usually be paid over and any outstanding tax credits paid later but some managers sit on the money until the credits arrive.

and points out that this has not stopped it providing consolidated statements.

One unit trust manager said that it did not really matter if plans were bundled anyway because investors seldom wanted to transfer just one year's allowance. "If investors are dissatisfied with you, they will generally transfer all their plans".

With general Peps, you can at least spread your capital across a range of funds or shares depending on what is offered by your PEP provider. Bundling of single-company Peps is more limiting. If you invest in the same company for years and your allowances are bundled into one plan, you may find yourself unable to diversify your investment in future. If you want something different you will have to invest the lot in another single replacement

## Single-company loophole may be stopped

A personal equity plan loophole that is almost certain to be closed in the next Budget is one concerning single-company plans. At the moment, due to a quirk in the rules, it is possible to invest the annual £3,000 single company allowance in a Dublin-listed company that is basically a tracker fund.

This can be an attractive option for investors who believe that putting £3,000 in the shares of one company is much too high a risk. Many investors fail to use up their annual £3,000 limit for just this reason.

Jason Hollands, BEST Investment, said: "You can only really justify putting 10 per cent of your portfolio into one share, which means that only those with at least £30,000 of investments should

take out a single-company plan." Mr Hollands expressed surprise that the Inland Revenue had not moved to close the loophole sooner. "It flies so obviously in the face of the spirit of the legislation that it is amazing that it has not already been stopped, but it can only be a matter of time," he said.

Many companies were considering launching plans to exploit the loophole, but have put their plans on hold after consultation with the Inland Revenue. Among the fund managers that do offer Dublin-listed schemes is HSBC. From June 26, the HSBC PEP Plus VI will be available for transfers of up to £9,000. This particular five-year PEP will offer a minimum return of 120 per cent of the rise in the FT-SE 100

index. Mr Hollands believes that those who have not used up their annual single-company £3,000 allowance should consider investing through this plan.

Other companies that are offering similar types of schemes include Legal & General. Its plan offers 140 per cent of the gain in the FTSE 100 index or a return of the capital if the index falls over that period.

Johnson Fry is also offering a similar type of product. The performance of the Johnson Fry scheme is linked to the performance of the British, United States and Japanese stock markets.

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Matthew Wall on the workings of a much-misunderstood Pep

## Will Brown bring a rush to bonds?

The Treasury's pre-Budget musings about the possible abolition or reduction of the Dividend Tax Credit on Advance Corporation Tax has sent the stock market into a spin. If the threat materialises and yields on equities tumble, some see investors seeking sanctuary in bonds — good news for corporate-bond Peps.

But the problem with them is that their popularity is probably inversely proportional to the amount of people who understand them. Total corporate-bond PEP sales have topped £2.6 billion since they were launched in July 1995, with this April alone seeing sales of £293 million. They now account for more than 20 per cent of Pep sales.

Bonds, whether issued by companies or governments, provide a fixed rate of interest and a set capital sum on maturity. But the income from a bond fund can fluctuate, as managers buy and sell investments within it. And a corporate-bond Pep need not contain any corporate bonds at all, as convertibles and preference shares are eligible. As bank and building society savings rates fell in the Nineties, risk-averse savers were forced to look elsewhere for better income. When corporate-bond Peps arrived they seemed to fit the bill, marketed as cheap, tax-free income providers offering twice what deposit accounts could, with little extra risk.

But there are widely varying levels of risk with different investment strategies. Virgin Direct, which launched its bond Pep in October 1995, prides itself on an extremely low-risk strategy based on a high proportion of gilts and low-risk corporate bonds from blue-chip companies such as Tesco, Glaxo and BT. Tony Wood, Virgin Direct's marketing director, said: "This Pep is most suitable for people looking to supplement retirement income in a tax efficient way. What people in this position want is regular and reliable income with minimal capital risk. Our low-risk, passively-managed fund, has grown to £150 million in less than two years and has delivered a 7 to 8 per cent yield."

But Abriss's bond Pep,

managed by Paul Reed, head of fixed interest, is an entirely different animal. Nearly two thirds of the £186 million fund is in convertible bonds, so-called because they can be converted into shares later. The link to the equity market

Pep has achieved an unbeaten 36.45 per cent total return since July 1995, assuming reinvested gross income. There are other risks too.

0.5 to 1.3 per cent. Investors should also be aware that if charges come from capital rather than income, the income level may be higher but with greater threat of capital erosion. Jason Holland at Best Investment recommends the following bond Peps for investors who want low vola-



holds out the possibility of capital growth, but at greater risk. Mr Reed said: "I am not interested in gilts offering rates of about 7.25 per cent. The convertibles I go for yield at least 8.5 per cent. About a quarter of the fund is in corporate bonds. I accept our fund is riskier than others. It certainly won't suit those seeking a slightly higher yield than they get on their deposit account. I aim to deliver a high yield coupled with some capital appreciation."

This latter approach has certainly been more profitable. Despite a highish 1.25 per cent annual management charge and an initial 3.5 per cent charge, Abriss's bond

Jan Millward, of Chase de Vere, the Bath independent financial adviser, said: "Bond Peps are obviously not appropriate for people looking for growth. Rising interest rates mean that capital values might actually fall."

Investors need to shop around for a bond fund with an established track record. Initial charges range from 0 to 6 per cent and annual management charges range from

tility of income and low capital risk:

■ Guinness Flight Value Bond Pep, no initial fee, 0.65 per cent annual, minimum investment £3,000 (current yield 7.06 per cent).

■ Barclays Unicorn Income Manager Pep, 3.25 per cent initial, 0.75 per cent annual, minimum investment £1,000 (current yield 7.50 per cent).

■ Virgin Direct Income Pep, no initial, 0.7 per cent annual, minimum investment £1,000 (current yield 7.41 per cent).

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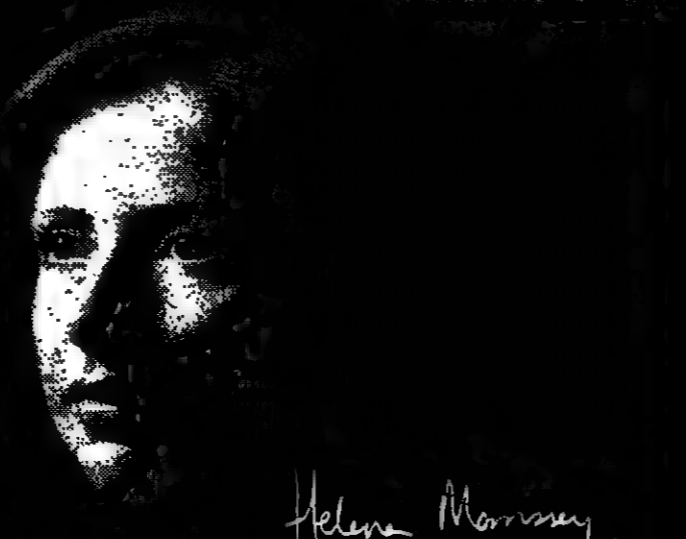
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Marianne Curphey on fears Brown may pick on the perks

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Peps were one of the investment successes of the Conservative administration, encouraging millions of people to invest in shares in British industry. However, the new Labour Government may decide in future to cap the amount of money that can be held in a PEP because it feels higher rate taxpayers with large holdings do not need extra incentives to invest. There are other concerns for the future of Peps.

The PEP management industry is particularly concerned that if the Chancellor changed the rules over dividend tax credits (see page 33), the tax advantages and popularity of Peps could be significantly diminished.

It worries that dividend tax credits are an easy target for a Government looking for new ways of raising revenue, since scrapping them completely could raise billions for the Exchequer. A 5 per cent decrease to 15 per cent is seen as more likely, raising some £2 billion.

Standard Life, the insurance group and one of the largest PEP providers, commented: "Peps would be hit hard because most people hold them not to avoid capital gains tax, but to enjoy tax-free dividends from shares."

Reducing or abolishing the dividend credit will mean that Peps are only bought by higher-rate taxpayers and those who will make a capital gain of more than £6,500 each year and want to avoid capital

gains tax. There may be other side effects from the reduction or abolition of the dividend tax credit, including a fall in share values, making equity investment through Peps less attractive. Some have even predicted that equities could fall 20 per cent if the dividend credit was abolished. Pre-Budget worries have already hit UK stocks, with the FTSE 100 index tumbling this week.

The value of shares could fall again after the Budget if the Chancellor's new measures are regarded by the City as hostile to profits and anti-competitive.

Jason Hollands of BEST Investment, the PEP expert, said: "We believe this could be a radical Budget, and for that reason and because of the strength of the pound and the uncertainty over UK equities we would recommend investing at least part of your funds outside the UK."

"We particularly like those fund managers with a spread of funds into which customers can put differing amounts depending on their risk profile," BEST Investment recommends Perpetual, Gartmore, Credit Suisse and Guinness Flight as well-managed funds with the opportunity to buy into a number of other funds.

"The spread should be across the UK, US and Europe, with some exposure to the Far East and possibly Japan," Mr Hollands said. "Although for the last couple of years Japan has been a bit of a dog, analysts are starting to turn bullish again and there are compelling reasons to reconsider investing in the market."

In the past, Japanese domestic investors have been cautious and placed great emphasis on the bond market.

Now, however, a lot of large companies are introducing share-option schemes to employees which will expand and encourage share ownership.

For first-time PEP investors who want to buy before the Budget, Mr Hollands suggests putting a quarter of your PEP allocation for a general PEP (the maximum allowance is £6,000 a year) into Perpetual's Far Eastern Growth fund. He suggests a further quarter in Perpetual's UK Growth fund and half in its International Growth fund which has holdings in US, European and some UK companies. He also likes Gartmore, which has a European Select Opportunities Fund, a UK Smaller Companies fund and a wide range of funds for the £1,500 which the PEP rules allow in

non-qualifying funds. Mr Hollands said: "We do not believe that the Labour Government is hostile to the principle behind Peps. However, in the long term it is likely that tax allowances will be amalgamated into an individual savings account. Peps could be phased out gradually or have a fixed ending date, perhaps the end of the financial year next April."

Chase de Vere, which offers independent advice on Peps, has a more bearish perspective on the Labour Government's plans.

"Peps came about as a direct result of the Tory party philosophy of popular capitalism. No government gives away money without a good reason, and, with over £6 billion invested in Peps over the last year, the loss of revenue to the Government is enormous," said Ian Millward, author of Chase de Vere's PEP Guide.

"The Labour Party is likely to continue to offer tax incentives, but its motivation will be different. One option would be to replace Peps with a far less flexible investment which commits investors' money for longer terms."

He likes funds managed by Perpetual, Credit Suisse and Prolife and believes a large number of investors still have a very UK-based portfolio and should start to diversify. He also likes the Schroder High Income PEP, which he describes as an aggressive investment that is "not for the faint-hearted".

## European funds lead the way

European and smaller companies funds have been the star performers among peppable unit trusts, according to Chase de Vere's new PEP Guide for 1997.

Jupiter, one of the smaller fund managers, tops the chart and holds the first, second and sixth positions in the 20 top-performing unit trusts over five years. Its Income trust has turned £1,000 into £3,380 over the period, while its European fund has increased to £3,353. While UK stocks in the past 12 months have, in the words of Chase de Vere, "enjoyed a tremendous bull run", Europe has been quietly outperforming many other world indices.

Of the 20 top funds, more than half of them invest in European stocks, and both the third and fourth places are held by

European funds — those of Old Mutual and Morgan Grenfell.

Smaller companies funds are also showing a healthy trend towards growth, with trusts managed by BWD Rensburg, Invesco and Britannia included among the top 20.

Ian Millward, author of the PEP Guide, says it is still not too late for investors to get a piece of the action in Europe. "There is no reason why European funds should not continue their excellent run, and they are still cheap enough to offer good value," he says.

A surprise inclusion in the top 20 is Morgan Grenfell's European Growth trust. Having recovered from the Peter Young scandal, it is now rated fourth by Chase de Vere. Among the investment

trusts, Europe is again the star performer, although it is the riskier Foreign & Colonial Enterprise fund, which invests in unquoted UK companies, which claims the number one slot. It has turned £1,000 into £4,267 over five years, including gross income reinvested.

Close behind is Henderson TR's European Growth, Invesco's English & International, Jupiter's Primadonna and European funds, and Gartmore's European investment trust.

Both Prolife and Henderson have technology unit trusts which have performed well over the past five years. However, because the bulk of technology stocks are in the United States these do not qualify for inclusion in a PEP.

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THE TIMES SATURDAY JUNE 21 1997



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# THE TIMES weekend

Couples  
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a child-  
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home life - 15



SATURDAY JUNE 21 1997

Why do women put up with it? Rose Wild explains the bizarre weekend ritual of bats, balls and Branston pickle



Ready for the tea interval, three of the Crowcombe Cricket Club stalwarts: left to right, Margaret Kennington, Christine Lewis and Anita Brewer, doyenne of the teas, whose husband Viv is the club's vice-chairman and son Chris the club captain

A couple of weeks ago I went to a cricket match. While England were winning a famous victory over the Australians at Edgbaston, the Old Talbotians were notching up a thrilling draw. I think that's how my husband put it — against a team of vaguely familiar television actors at the lavishly appointed Bank of England sports ground in south-west London. The sun shone quite a lot, there were occasional sharp showers, largely ignored by the players, and a firm wind blew. In almost no time, the Sunday newspapers were turned into something resembling grey meringues.

No matter how many sorties one makes into glorious looking summer days, there are never enough warm sweaters to hand. At least at the Bank of England ground we had the picnic rugs to wrap up in. The charm of it all wasn't obvious, none the less, to the Californian we had brought with us to the game. Her husband, a financial analyst, had manfully stepped in to fill a gap in the ranks and, as a recent arrival in this country, she was keen to take in an important cultural experience. Her bafflement at

the proceedings on the pitch was as nothing to the dawning horror that there stretched ahead six or seven hours braced against the wind whipping across the blasted heath. Shortly after the tea interval she said she thought she probably ought to be getting on with her dissertation on 19th-century German psychology, so I drove her home.

I expect the marriage will last. These things, after all, give backbone to relationships. It takes a real bond to survive a man disappearing for the best part of every summer weekend through anything up to 40 years of marital unavailability. And it takes a woman to make him pay.

The accomplished cricket wife will see these years of absenteeism as an ongoing build-up of credit. Over the average playing span of the amateur cricketers — of whom hundreds of thousands take to the pitch every week — she will

have some 400 opportunities of pointing out that his absorbing passion is only a game. He knows this not to be true, but the subliminal message will sneak its way past his defence. Many is the player who scrapes it on to the field with seconds to spare, grinning from the weight of domestic chores.

Of course, his absence is less a cause for grievance than relief. Even the most Nineties of wives will see the proven benefits of getting a chap out of the house. Where once they had to be sent off to build empires to keep them out of mischief, now they can simply stride out to that distant wicket and stay there as long as the rain holds off. Squash and bowls don't take half long enough. Tennis and golf are a mere flurry. Only a slow boat to India can compare with those contemplative hours crouched to attention in the outfield of some well-known English meadow.

The question of how glad

Penelope really was to get Ulysses out of the house is perhaps best answered by Mildred Dent. For 20 years since his retirement, her husband George has devoted his energies to the organisation and wellbeing of Crowcombe Cricket Club. Crowcombe is a village of about 400 people at the foot of the Quantock Hills in west Somerset.

More famous of late as the home of the Quantock Stag-hounds, the village none the less hosts four cricket teams, plus junior XIs. But cricket, Mrs Dent says, "bores me stiff". With husband umpiring and children enthusiastic, she put in her time on the boundary, but "it's so slow, and they go on and on and then everyone claps and shouts and I say what's happened and they all say, 'Shhhh'".

Finally the worm turned. "I don't like to talk about it really,

because I have this enormous guilt," she says. "But when you have young children you do what they want to do. When you're old you can do what you want." So she bought herself a summer house, where she sits with her radio and sews. Her latest work, a set of tapestry chairs, took some three cricket seasons to complete.

The courage of Mrs Dent's convictions has made her something of a legend in Crowcombe. Cricket is to this village as Blues is to Chicago or duck to Peking. And however fortunes fare in the West Somerset League, the teas are absolutely champion. The mastermind behind the urn is Anita Brewer, whose husband Viv doubles as village sub-postmaster and cricket club vice-chairman, and whose son Chris is club captain.

While Crowcombe teas are famous, they are also the subject of a certain amount of competition among the provid-

ers. "Some people do go over the top a bit," Mrs Brewer says rather chillingly. As a once-only volunteer, I found out what this means, to my cost, and, believe me, no crime is greater. I offered to help with the OT's tea, and was caught red-handed trying to put watercress into the cheese sandwiches.

Margaret Kennington, a pillar of the Crowcombe tea roia, gives the definitive recipe for a cricket tea which will offend no masculine sensibilities. It goes like this:

3 white loaves  
2 brown loaves  
various fillings: egg and cress, ham, cheese and chutney, tomatoes and salad, small pies and pasties, jam tarts, sausage rolls, cakes, sponges, scones with strawberry jam or strawberries and cream tea, coffee and squash.

One player, according to Mrs Brewer, simply has to have

lemon curd tarts and cheese and pickle sandwiches whenever he plays. "Sometimes I hide the lemon curd in something else so he has to go round looking for it." Occasional liberties with the formula are allowed: "Sometimes we do something special like meringues, or fruit flans or savoury flans," Mrs Kennington says. "And of course they like anything with chocolate."

Once the players have done their best with this bounty, it is generously extended to spectators to polish off, something of which the Bank of England might take note. When the OT's played at their ground, the tea scarcely went round the players. And yet, for the OT's, this fixture is by far their most luxurious. More commonly they are to be found among the Portakabins of Perivale municipal park.

The OT's are not, as they might sound, sporting scions of some minor public school. Instead, they descend from the house team of James Goldsmith's *Now* magazine, which was puzzlingly nicknamed *Talbot* by *Private Eye* during its brief 1970s existence. The years

Continued on page 2

SHOPPING 23 GARDENING 46 PROPERTY 740 COUNTRY LIFE 11 FEATURES 13 PETS 14 HOME LIFE 15 TRAVEL 17-23

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TEAPOTS reveal a lot about their owners, so forget the brown and boring ones and invest in something a little different, then have a Mad Hatter's tea party, says CAROLINE GRIFFITHS

Photographs by Des Jensen



CLOCKWISE FROM TOP:  
Cupola Nera teapot, £105,  
Studio Line range by Rosenthal  
at Liberty, Regent Street, W1  
(0171-734 1234)

Cat teapot by Villeroj & Böch,  
£99.95, from Dickins & Jones  
(0171-734 7070)

Boda Nova stoneware teapot,  
£49.95 (plus p&p), stockists on  
01252 722201

Leopard print teapot, £89 (plus  
p&p), by Niniwah Khomo (mail  
order, 0171-591 0112)

Marriage Frères chrome pot,  
£120, Dickins & Jones

Flower teapot, £49, from Bette  
Blue (0161-929 6676)

Glass teapot, £30 (plus £5 p&p),  
from Stephanie Anne Glassware  
(mail order or nearest stockists,  
01642 231384)

Black cat teapot, £34 (plus  
p&p), by Mel Cartwright  
at Cartwright Ceramics  
(01273 700370)

Aleasi Penguin teapot,  
£130, from Aria  
(0171-226 1021)

Blue Firs tea service,  
£24.50, from Past Times  
(mail order, 01993 770440)

Flower-shaped teapot, £65 (inc  
p&p), from Loma Jackson-  
Currie, mail order or stockists  
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## 'There's this coffin in our boot...'

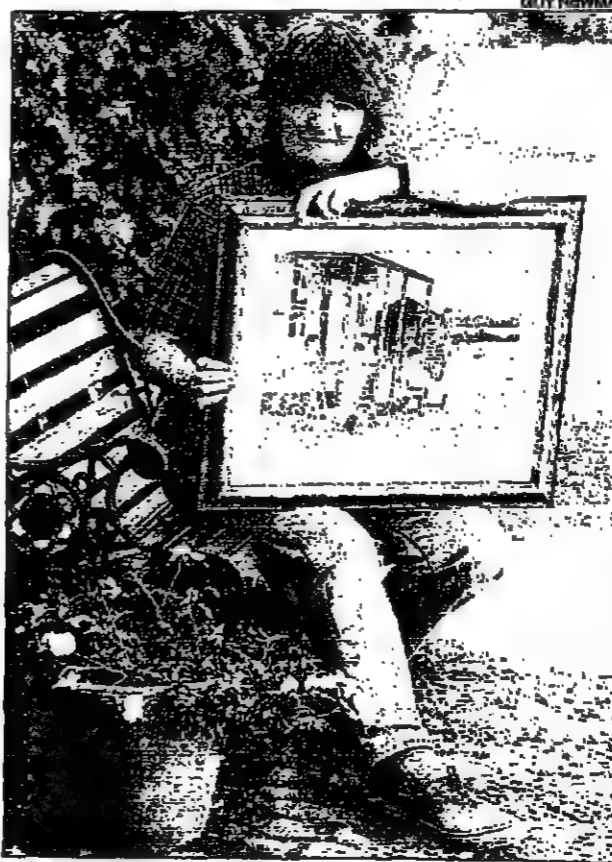
Continued from page 1  
have thinned the numbers and thickened the waists of the original journalistic eleven, and numbers have been augmented by younger and fitter blood from other professions. Urban teams such as the OTs lead a sad life in comparison with their country counterparts, and long to escape their barren suburban parks, where dogs roam unfettered, for the idylls of Oxfordshire and beyond.

The highlight of the season, and often the only opportunity for spouses to see each other in daylight during the summer months, is the tour. Those two or three days playing on rural pitches with convivial hostilities close at hand is the urban player's ideal of what cricket should be. Many of them also cherish the illusion that it amounts to a consoling summer holiday for the accompanying womenfolk, who would otherwise have to be content with a midweek trip to Paris on the Eurostar, if they were lucky.

Not that womenfolk are usually much in evidence at OT games. The typical crowd of supporters totals one: Sue Greenhill, a photographer, who turns out loyally in support of her partner, the writer Andrew Lycett. Week after week she braves the horrors of suburban traffic, and can be seen swathed in rugs in glamorous solitude on the boundary.

There are trials involved in living with the team's most reliable player. "Andrew insists on keeping the team kit in the back of the car, because he thinks it's the only way you can guarantee getting to play in the next game. So we have to drive round all summer with this thing the size of a coffin in the boot." And, she adds somewhat disloyally, "they have to spend hours in the bath after a match or they can't move the next day."

Age may not wither the enthusiasm of the amateur cricketer, but inevitably, as the skills start to recede, the insecurity grows. Children quickly work out that a good way to get Daddy to say really interesting words is to go and make smart remarks as he plods sadly back to the pavilion after a poor innings. "You'd be



Cricket fan Marilyn Ewens with one of her team paintings

amazed at how many bats have been thrown at that cupboard," Mrs Brewer says, pointing to a battered relic outside the Crowncombe dressing room.

A noticeable sign of failing powers is the gradual proliferation of bats in the front hall. They simply don't make them the right length any more.

In Crowncombe, artist Marilyn Ewens's hall is overflowing with gear. Her husband, Chris Smith, plays for Crowncombe's Second XI and they have two sons and a daughter, who all play. They play just to five sets of kit. "We used to keep all the stuff in an enormous chest under the stairs but it overflowed ages ago and now it's everywhere. Sometimes, at the end of the season," Marilyn says, "I find bags with all the crumpled whites still in them. It only occurs to them to wonder where they are just before a game, as if they will magically have washed themselves."

Like many of what one might call the senior cricket

bly pall if you can do it all the time but, as she says, "in a busy weekend, going to the game makes you take time out. If you're at the ground you can't be cooking."

And there is a bonus. Marilyn's beautiful paintings of the cricket team at work adorn and, in between her exhibition, sell from the bar of Crowncombe's estimable pub, the Carew Arms.

But not all cricket wives share her equanimity about the game. Kitty Morris, whose husband Rupert, a journalist, is president of the OTs, fears for the future of the team. "The trouble is that the younger players are getting settled down."

"The women want the men to be doing things: they want them to be nesting. Unless the team can get in a younger, laddish, element, I'm afraid it's all danger of collapsing in on itself. Like the Shakers, they may just die out."

Surely not. Some newly wed players may risk the ridicule of team mates by skipping a couple of seasons, but, if my husband is anything to go by, it's just a phase they go through. Trips to Ikea may hold a passing sway, but soon the siren call to the stumps will recapture them, and England can sleep soundly once more.

● The Old-Talbotians' summer tour will this year visit Crowncombe for the first time, where they will play the Sunday XI on August 31.

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# Current supply of electric blue

**Heath Brown**  
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summertime  
blues



**B**lue is the world's favourite colour," says colour psychologist Angela Wright and this summer it certainly shows when it comes to fashion. It is everywhere, in every shade from light duckegg to deep indigo — with a fresh, lively, Mediterranean feel.

Wright says: "When people wear blue it encourages them to centre themselves and concentrate on work requiring mental effort." It is considered to be a friendly, reflective colour in its lighter versions, relaxed and confident in mid-tones or more efficient and authoritative when dark.

Within the blue spectrum there is at least one tone for everyone. Mid-tones are good for most skin colours, blondes suit light sky blues and brunettes, dark navy. However the easiest way to wear blue this summer is to mix and match tones and shades.

The combinations are endless — a bold electric blue singlet can liven up a dark trouser suit, periwinkle ruffle tops go well with darker navy skirts and light shirts can be worn with simple cobalt slacks. These mixtures are flexible enough for the office and evening as long as there is a dash of navy.

You can highlight your best features with paler shades and disguise imperfections with darker hues — navy trousers with a bright blue top will lead the eye away from fuller hips.

Shoes and bags should contrast with your outfit, never match. For jewellery, simple silver torques and bangles are subtle and chic.

Every contemporary clothes shop is stocking blue fashion this summer, from high street chains such as French Connection, Warehouse and Monsoon to designers such as Anna Molinari's Blumarine label, Istante, Miu Miu and Ben de Lisi.

Blue may be this year's colour but clothes you buy now will take you through many seasons and are a sound investment.

**ABOVE:** Catwalk casual by Ben de Lisi and **RIGHT:** High street version — stretch shirt, £60; stretch trousers, £50, both from French Connection, branches nationwide (0171-580 2507). Flat mules, £95.50, Russell & Bromley, 23-24 New Bond Street, London W1. (0171-629 6903)

## THREE OF A KIND

Let your toes breathe this summer with a pair of sandals — from simple thongs to high-tech hikers. Here are three of the best. H.B.



Brown leather cross strap sandals, £64.99, Russell & Bromley, selected branches, (0171-629 6903)



Brown suede Velcro fasten sandals, £69.99, Camel, Shellys, selected branches nationwide (0181-208 4340)



Brown leather thong sandals, £150, Gucci, 33 Old Bond Street, W1; 18 Sloane Street, SW1 (0171-629 2718)



**LEFT:** Catwalk class — blue dress from Istante by Gianni Versace

**ABOVE:** Along similar lines, jersey dress with split, £380 approx, Ritmo di Parla, Emanuel Kenel, 147 Sloane Street, SW1 (0171-730 0121). Clear plastic bangles from £16.95, Fenwick, New Bond Street, W1. Cross front mules, £59.95, Bertie, 36 South Molton Street, W1 (0171-935 2002).



**LEFT:** Designer version — frilled shirt and wrap skirt by Blumarine and **RIGHT:** Chain store chic — frill wrap top, £35, Warehouse, (0171-705 1901). Silk wrap skirt, £80, Monsoon, branches nationwide (0171-313 3000)

**TOP:** Shiny stretch top, £48; blue flared trousers, £120, both by Caractère, Fenwick, New Bond Street, W1; Harrods, Knightsbridge, SW1 (0171-631 4777). Pale blue knit elbow length cardigan, £79.50, Scotch House, 2 Brompton Road, London, SW1 (0171-581 2151)

Main photographs by Richard Burns. Catwalk photographs by Chris Moore. Hair and make-up by Sally Kvalheim for Jo Hansford (0171-495 7774) Styling by Amandip Uppel

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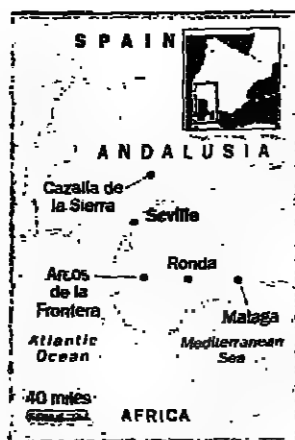






Spain: South to Andalusia for superb food and sights, north to Catalonia to taste wild, mountainous beauty

# The friendly art of doing nothing



Doing nothing takes a lot of effort. However, the residents of Andalusia are not only old masters at this pastime but invest it with great solemnity. The goal of an Andalusian is to find a comfortable wall, sit on it, fix tourists with a beady gaze, and spend entire afternoons watching the world go by.

The great thing is that nobody is really expected to do anything, so the pace of life is perfect if you are looking to get away from it all. What is more, when they are not sitting on walls, Andalusians are most affable hosts, the most marvelous cooks, and inhabit a spectacular rolling landscape. Fresh from a long weekend in Madrid, my fiancé, Tom, and I first tasted genuine Andalusian hospitality at Cazalla de la Sierra, the fortified, mountain village, on the second leg of our motoring holiday around Andalusia. When we checked in to the hotel, we noticed the off-tall blonde who had been in our previous hotel. We discovered that Mara, a fellow of Corpus Christi, Oxford, had booked the same holiday as us. Delighted to recognise each other, we arranged to meet for a *fino* (pale sherry, the local ripple) before dinner.

And what a dinner it was. Prepared and served by the same matronly, smiling women who ran the hotel, we enjoyed field mushrooms cooked deliciously with garlic, oil and herbs, punctuated by mouthfuls of local red wine and crusty bread. When we booked the holiday, with breakfast and dinner included, we fully expected to be disappointed with the hotel food, but in Cazalla we went to bed having dined like royals.

Indeed, foodies would find much to delight them on a tour of Andalusia. The mild, wetish climate spawns an abundance of fresh, tasty produce, and the local tradition of *tapas*, where small portions of dishes are served with drinks, makes it easy to sample a wide



When they are not taking life easy, eyeing tourists with a beady gaze, Andalusians are most affable hosts and most marvellous cooks. Many farm sugar beet in the spectacular rolling countryside

range of local cooking. Seafood is a forte: prawns come baked with cinnamon, garlic and olive oil (a recipe I have copied to the delight of my friends).

The province also makes a wonderful destination for walkers. If the climate is right, the sun was too hot. The scenery bore the fresh, green hues of spring, and the flowers were in bloom. Parades were also in full swing — a colourful, loud carnival atmosphere.

The first stop on our tour of Andalusia's *pueblos blancos* (white villages) was a two-night stay in a charming whitewashed hotel in Ronda. This town has a terrible yet absorbing and beautiful history.

It is divided by a huge gorge, *El Tajo*, into which, as recounted by Ernest Hemingway in *For Whom the Bell Tolls*, prisoners were thrown into the gorge to their deaths.

The gorge is spanned by a beautiful 18th-century bridge. A short walk from this bridge is Spain's first bull ring. On the other side are the narrow, cobbled streets and intricate architecture of the Moorish quarter.

After our tiring tour, we were treated at the hotel to a sumptuous, juicy dish of cooked venison with rice, served in the beautifully decorated dining room.

Our third destination, hundreds of miles away, was the hilltop village of Arcos de la

Frontera, with surely the narrowest streets in the world. It is sited spectacularly, and visible from miles away.

Here, we bumped into Mara many times during our random wanderings — there is no rhyme or reason to the street layout, but that is part of the charm. Each meeting allowed us to compare notes, and finally arrange a time to meet in the restaurant opposite the hotel, where we were booked in for dinner.

Despite the plaudits posted up outside, the food was dreadful, which took some doing in a place overburdened with fresh produce. The garlic

soup was inedible. The main course left us seething. The dessert was laughable — a peeled apple with squeezed cream plonked on top. The service was snooty and mean. We left hungry and angry.

It was no bad thing. We took dinner the next night in the Parador, the state-run luxury hotel on the edge of the main plaza. Mara, Tom and I enjoyed the gourmet menu, a succession of fine Andalusian specialties. It allowed us a chance to quiz Mara on her travels as a single woman: she found the driving tiring, but the hotels safe and hospitable. (The tour company Intravel now uses the Parador for dinner rather than the restaurant opposite the hotel.)

We are determined to visit again. Ronda provided the culture and history, Cazalla the walking, and Arcos the opportunity to wind down. Two days in each place was ideal.

We were glad to have "done" Andalusia after Madrid, too. The capital is a stylish whirlwind of fantastic art galleries, museums and heritage sites, which one feels compelled to race around.

Sadly, the Madrilenos are the same. Though stylish, they are too busy to stop, and disdainful of foreigners. They should take a tip from their southern cousins and learn the friendly art of doing nothing.

ANJANA AHUJA

## ANDALUSIA FACT FILE

- The author travelled with Intravel (01653 628862). The White Towns of Andalusia fly-drive package, including return flights to Gibraltar, car hire and six nights' half-board, start from £534.
- The Castellana Inter-Continental, Madrid (0345 581444) has double rooms from £65.
- The best time to visit is at festival time. Celebrations are held in Easter Week and in early June. Seville holds an enormous, colourful fair every April. Book accommodation well in advance. Late spring is, perhaps, the best time to go: the flora and fauna are at their best, and temperatures are not too high.
- Reading: The Travel Bookshop (0171-229 5260) recommends *Rough Guide, Andalusia* (£9.99); *South from Granada*, by Gerald Brennan (Penguin, £7.99); *A Rose for Winter*, by Laurie Lee (Penguin, £4.99); *Lazy Days out in Andalusia*, (Corgi, £5.99).

## Floating high in the Pyrenees

Had I closed my eyes, I wouldn't have known the balloon was rising, such a steady ascent it made. No sensation of lifting, more the ground sinking away from the basket, and, because I had arrived the night before in darkness, my first proper look at the Segre valley in the Alt Urgell region of the Catalan Pyrenees was from the air, just after dawn on a bright autumn day.

To the north loomed the high summits of Sallir and Monturull. To the south the foothills known as the Sierra del Cadi. The village of Castellclut, which runs along the spine of a hill, began to stir, shutters opened and dogs stretched. We looked down at the hotel within the ruins of the castle, the little vine church, the modern barracks. From 3,000ft above, the whole valley, the cottages with their tidy vegetable plots,

the cows clustered in the corners of fields — resembled a toy farm.

Rising through the thermals to change direction, the balloon drifted over woodland, sometimes swooping low enough for us to pick leaves from the upper branches. A black bear rustled away through the undergrowth. For some time we hovered above a sawmill, before landing (rather haphazardly) on the runway of an aerodrome.

Then we returned to the hotel for breakfast. The balloonist ordered a *truita*, which wasn't a brown trout from the River Segre, but an omelette: the two words are (unexplainably) the same in Catalan. I had *amb tomaquet*: coarse white bread, toasted, rubbed on both sides with a cut tomato, then anointed with light, fruity olive oil. On top, in this instance, went a sliver of Jabugo ham, although the

balloonist told me that a couple of anchovy fillets would be the more usual garnish.

The Catalans take food seriously. The two hotels my wife and I stayed at, El Castellet and Can Boix, had excellent restaurants, both serving the Catalan equivalent of haute cuisine. There is an ancient gastronomy: a Catalan cookery book, *Libre de Sent Sovi*, written in 1324, lists techniques and dishes that are still around today.

Typical Catalan food ranges from straightforward dishes such as *pa amb tomaquet* and *mel i mató* (a ricotta-like cheese served with honey) to elaborate ones that may combine unlikely ingredients — salt cod with raisins, rabbit with snails, chicken with shrimps and chocolate.

Smart restaurants unapologetically present offal specialties such as tripe, lamb's trotters, veal snout and pig's check stew.

Game is very popular: chamois, boar, hare, capercaillie, partridge and quail. There is even a rabbit unique to the Cadi, piebald in colouring, possibly descended from escaped pets.

Several of the vegetables I'd never seen before: what I took to be leeks were huge green onions, and I saw strange, scarlet gourds for sale. I particularly liked the tiny brown olives called *arborescences*, hardly bigger than capers. Sometimes we came across

## CATALUNYA FACT FILE

- The author travelled with Spanish Harbour Holidays (0117-986 0777), which offers a week at El Castellet hotel, half-board, including the return flight from £510. If you drive to the area, a week's half-board would start at £430.
- A week at Can Boix, half-board, including the return flight starts at £350; £260 without flights. Spanish Harbour also offers gites in the area from £230 per person a week, including the return flight; £115 without the flight.
- Kon-Tiki Balloons can be contacted through Spanish Harbour or El Castellet, who can also arrange canoeing at La Seu d'Urgell on the Segre, where the 1992 Olympic canoeing events were held. Whitewater rafting is also available, as are drives around the edge of the Cadí-Moixeró reserve, a 150-square mile conservation area of mountainous forests: Scots pines, silver firs, beeches, maples and aspens soaring up through juniper bushes and wild rhododendrons.
- Reading: The Travel Bookshop (0171-229 5260) recommends: *Catalonia — Voices of the Old Sea*, by Norman Lewis (Picador, £5.99); *Homage to Catalonia*, by George Orwell (Penguin, £6.99); *Barcelona and Catalunya*, by Jules Brown (Rough Guides, £8.99).



Silent wilderness: the Anso Valley in the Spanish Pyrenees



the district of Peramola. The landscape is scrubby, the mountains lower, the pines give way to box shrubs and the hillsides are strewn with wild herbs, lavender, rosemary and thyme. Not far from our hotel was a steep track leading to a chapel on top of a cliff. Nostra Senyora de Castell-Llebre.

I discovered the chapel has a legend rather similar to the Welsh legend of Saint Melangell. Back in the Middle Ages, Trobante, the baron of Peramola, while out hunting, pursued a hare up into these hills. Eventually, he found his quarry crouching behind a fine alabaster statue of the Virgin.

The statue, on its own in the wilderness, was taken as a sign from God and Trobante built the chapel on the spot.

The chapel still houses the alabaster statue and there is a little shrine a short distance from it where people leave bunches of flowers and herbs. Twice a year, on St Mark's Day and at Easter, a priest on horseback leads a procession from Peramola to Castell-Llebre to celebrate Mass.

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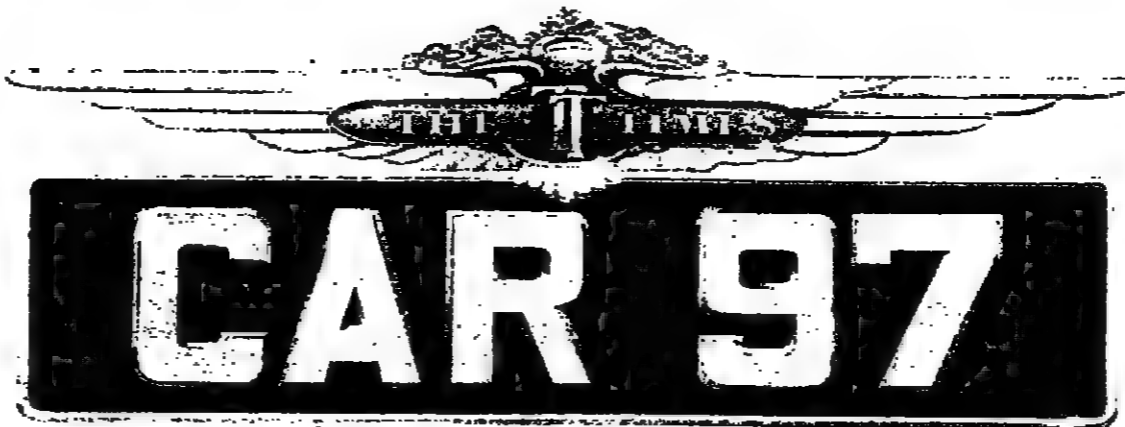






Why this girl doesn't tell her friends what she does

Page 8



What you get with some Jaguar and a bit of Tornado

Page 10



SATURDAY JUNE 21 1997

Ford has turned a kitten into a wildcat to add a coupé to its model range. Stuart Birch was impressed

# Fun of a Fiesta, growl of a Puma

Give a car a good name and it must live up to it. Ford is a master of the memorable name: the company that brought you the Popular, the Escort and the Ka also produced the Galaxy, Mustang and Capri — now it has come up with Puma for its new, Fiesta-based coupé, on sale next month at £14,550.

But can the mild-mannered pussycat that is Fiesta, with all the utilitarian connotations of the small hatchback, become a growly puma? It can.

Although beneath its smooth skin the Puma is 80 per cent Fiesta, it has been given just enough charisma, performance and handling competence to qualify for sports coupé status without giving insurance actuaries a fit of the vapours.

The Puma treads a precise path that takes it to a sector of the market ripe for development. The coupé has become an important currency in the car world; they might not sell in large numbers but a coupé gives a manufacturer's model range a sporty appeal especially to the younger driver, who might not be so impressed by a souped-up saloon. Ford used to do very well adding sportiness to its smaller cars with the RS, for Rallye Sport models, but in the affluent 1990s potential buyers demand something more striking than the addition of a spoiler and body trim.

Ford reckons there are three key factors essential to success in that sector: great looks, good performance and fine detailed design to separate this car from the herd.

The Puma's looks are certainly distinctive, the performance from its newly developed 1.7-litre, 125bhp engine is vigorous, and the details, from distinctive headlamps to rounded bump, are refreshingly different. But there is more. Drive this car hard, and it proves that it is not just an image wagon with an evocative name: it delivers.

Ford vice-president Richard Parry-Jones has been a major force in the Puma's creation. A senior member of the company, he combines executive clout with great enthusiasm for the product and a high level of technological skill. All this shows in the way the Puma goes about its business. Ford decided Bavaria had the right roads to make the point. So I drove the Puma flat out on the autobahn to see a couple of miles a minute with no drama. Then it was rapidly up a wet and winding mountain road to the accompaniment, at high revs, of a delightfully snarly engine note — the result of extensive analysis of what its potential customers want to hear, the sound is created by diligent tuning of the engine's induction system. To match all this, handling is safe and secure and ride exceptionally good.

The Fiesta, on which the Puma is based, is a very good car, but Ford has done wonders to extrapolate its ability, to provide a car which Parry-Jones sees as combining coupé styling with hot-hatch dynam-



Ford Puma: the advantage of producing such an exciting car from the basis of a bread-and-butter model like the Fiesta is that the virtues of the original can be retained for times when excitement is not needed

## FORD PUMA

Engine: Four-cylinder, 1.7-litre with variable valve timing, giving 125bhp at 6,300rpm.  
Transmission: Five-speed close ratio.  
Performance: 0-60mph in 8.8 secs, top speed 126mph.  
Economy: Combined cycle 38.2 mpg.  
Equipment: ABS, driver's airbag, traction control, power steering, audio system.  
Price: £14,550 (air-conditioning £350 extra).

reality, is a roomy 2+2. The driving seat has power height adjustment, but the steering wheel is not adjustable. The sporty theme is emphasised inside by using machined aluminium — the trendy material for those who can't quite afford carbon fibre — for some elements of trim, including the gearlever knob. The boot is something of a compromise, with a high sill which demands a fair amount of physical effort if you are loading anything heavy. Ford admits it would not please all Fiesta owners, but feel it's justified on aesthetic and body stiffness grounds.

The Puma comes as a single model, with one trim level. But it's well equipped with anti-lock brakes, driver's airbag, traction control, power steering, powered windows and mirrors and a comprehensive security system.

Air-conditioning is a very competitive £350 extra, but there is no sun-roof option — that will be a dealer-fit accessory and will be the unsatisfactory lift-out glass type.

Ford sees the small coupé market growing in the next few years, and expects to sell about 5,000 Pumas — which are built in Germany — in its first full year. One of its rivals will be Vauxhall's attractive Tigra, but the Ford is far more practical.

The car is being launched in a blaze of publicity and some of the first owners are being offered a free day trying out the Puma — on the track at Brands Hatch in Kent or Oulton Park in Cheshire. (Customers will not be driving their own Pumas, the company adds thoughtfully.) The day will include tuition from a top-class instructor on how to get the best out of the car.

A Puma roadshow is al-

ready underway with a silver car sporting blue underbody lighting and a video screen built into the nearside window stalking the "style conscious and young at heart" in major cities.

The Puma is likely to be bought by 25 to 35-year-olds, believes the company — and by people in their fifties who want a sporty car but not one that is too muscly.

This age group is targeted by Ford's advertising campaign, which is based on the 1960s movie *Bullitt*, set in San Francisco, which starred the late Steve McQueen and included a car chase that has become a cinema classic. For the television ad, clever technology has McQueen "driving" not his raucous V8 Mustang, but... a Puma.

Now, that really is a name to live up to.

# ... and the bite of the Cobra

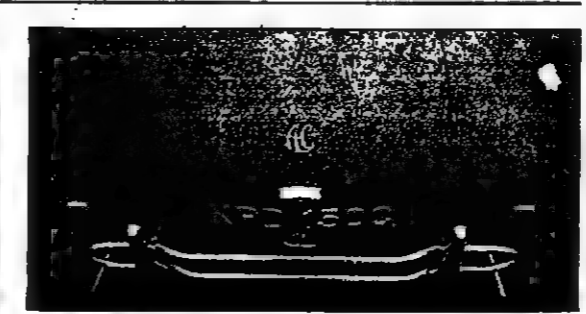
Alan Copps fulfils a dream as he drives one of the most beautiful British roadsters to Le Mans

Rain was lashing down, we didn't know where we were and the wipers were completely ineffective. But it was worth it for the noise alone. I had taken the wheel of an AC Cobra for the first time just before the rain began on the way to Le Mans. I was well aware of its reputation: "The fiercest sports car of the 1960s. The very name is enough to send most enthusiasts into nostalgic raptures," said one recent description.

But a traffic jam in the wet was no place to find out about this car, born when American Carroll Shelby had the inspiration to shoehorn a big Ford V8 engine into the AC Ace, one of the most beautiful of British 1950s roadsters.



That Cobra feeling: every movement, every contour of the road is transmitted direct to the driver; it is alive



the combination of power and a lightweight chassis is exhilarating even when you're being ultra cautious in the rain. At times it felt fast enough to dodge the raindrops; I knew it wasn't, but in a car such as this sensation is at least as important as performance. The following day in the dry the power simply swept the car into motion, the steering went light with acceleration and both ends skipped and hopped on uneven tarmac.

No wonder the car has become a cult: if you find modern cars bland, cushioned and air-conditioned cocoons and you like the "feel" of driving it would be hard to beat.

Every movement, every contour of the road is transmitted direct to the driver; it is alive. I was enjoying this personal bit of nostalgia as part of an exercise in corporate nostalgia by Ford who had sent the Cobra and a road-going GT40 to join the Royal Sun Alliance Cavalcade, the annual convoy of classics connected with the 24-hour race, which drives from London to Le Mans and tours the circuit a few hours before the race begins to one of the biggest cheers of the weekend.

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GOODWOOD FESTIVAL OF SPEED: A WEEKEND OF ELECTRIFYING MOTORSPORT ACTION

# Motoring masterclass where the legendary aces raced

Vaughan Freeman learns a lot about his driving skills on the famous circuit



Freeman in the DB7: "Matching Gethin and Goodwood to an Aston Martin is like hitching a ride back in time for a taste of what it must have been like to race in the heyday of F1"

The Goodwood circuit is among the most famous in the world and has changed little since 1965 when Jim Clark won the last Formula One race to be held there. Great Formula One names such as Fangio, Stewart, Moss and Hawthorn all raced on the 2.4-mile circuit in one of the most picturesque parts of Sussex. Opened on a disused airfield in 1948, the circuit thrived and was one of the most popular with drivers for the warmth of its welcome and its lush setting. In the Sixties though, a series of cruel accidents struck: in 1962, Stirling Moss almost lost his life there when he crashed. He was in a coma for weeks and never raced again. Four years later, Bruce McLaren was killed while testing his CanAm. But today, the enthusiasm of Lord March has renovated the house and rejuvenated it as a place for racing again. Today sees the start of the Goodwood Festival of Speed when enthusiasts get the chance to see cars and drivers who are among the legends of motorsport. But now Lord March plans to go further and reopen the circuit, which has only been used for demonstration drives and his private use, for historic racing, which will evoke memories of the greatest days



"Any feeling of confidence is shattered when Gethin points out where Moss almost died"

of being involved in an accident. Remember, a man has a one in 250 chance of dying in a road accident during his driving lifetime. For a woman it is one chance in 850. Now it is time to drive — well, almost. First, I have to read a number plate three times further away than the 67ft stipulated in the driving test. Then we look over the DB7, checking petrol, oil, water, electrics and rubber (the tyres). This check, says Ballantyne, should be done daily, weekly at the very least. Out on the road, Ballantyne sits quietly while I drive. Then come the questions: What did that sign mean? Was that dog on a lead? Were the front wheels of that parked car turned and rolling ready to move off? I am marked down for poor use of mirrors, shallow observation and overuse of gears and am told to repeat: "Brakes to slow, gears to go." After lunch, it is trackside with Gethin. He drives us round in his own Volvo TS, showing the cones that mark the braking and turning in points. After half-a-dozen laps I take over. Any feeling of

confidence is shattered when Gethin points out where Stirling Moss almost died. If Moss could not master Goodwood, how can I? At last I am at the wheel of the Aston, a DB7. I feel a relaxed air as I try to remember it all: brake, brakes off, turn in, power on. Brake in straight lines, don't brake and turn, do not accelerate too soon through corners, keep it smooth. By the end, Gethin's sense of humour is firmly intact as he says: "You managed all the corners perfectly — however, not all on the same lap." But how can circuit driving make you safer on the road? "On the circuit we are showing the lines, the turn-in points and exit points of each corner," Gethin says. "The idea is the same for driving on the road, to keep it as smooth and as balanced as possible. Try to imagine that you have a box of eggs on the bonnet and every time you brake hard or jerk the car they will fall off." A week later, my "end of term" reports arrived. Gethin writes, in what I insist on taking as a compliment: "At no time was I frightened by Vaughan." My report from Ballantyne tells me I must concentrate harder and improve my observation of what is going on all around me.



**"Try to imagine that you have a box of eggs on the bonnet"**  
PETER GETHIN

tomers to complete the Gethin roadcraft course, not only to help them drive more safely, but also so that they can enjoy their cars more — and that does not mean blasting racer-style through every corner. Aston Martin is even encouraging buyers of their used, or what Aston Martin prefers to call quaintly "Previously Treasured" cars, as well as of new cars, to take the course. Spokesman Bill Donnelly, says: "Although this facility has always been available to customers of new Aston Martins, we believe that the majority of purchasers of previously treasured Aston Martins will be coming to the marque for the first time. "We and our dealers do everything possible to ensure the fitness and pedigree of the car, and we felt it appropriate to assist our customers to hone their driving skills." If this is a way to hone driving skills, then every driver should take the chance. Driving a fast car around a circuit with the history of Goodwood is not an experience to miss. You almost feel the presence of the legendary racers. *© Peter Gethin Driving Courses, Goodwood Motor Circuit, Chichester, West Sussex, PO18 0PH. Tel: 01243 770118.*



It was a damned close-run thing: Gethin takes the chequered flag at Monza in the blink of an eye with Peterson, Cevert and Hailwood all breathing down his exhaust pipe

SPLIT-SECOND HISTORY

## Grand prix triumph as close as it gets

A WIN by just one hundredth of a second with four cars dashing for the line in the 1971 Italian Grand Prix at Monza is as close as it gets. Peter Gethin will go down in history for that victory in his BRM, which was also the fastest Formula One race on record, with an average speed of about 150mph, writes Kevin Eason. It was not just the finish but the remarkable line-up of star drivers Gethin beat to record his only grand prix victory: Ronnie Peterson, Francois Cevert and Mike Hailwood were breathing down Gethin's exhaust pipe as he punched the air in jubilation. Further down the field were Emerson Fittipaldi, Graham Hill and Chris Amon, while a young chap called Jackie Stewart failed to finish that day but went on to win the world championship for Tyrrell-Ford that season. Gethin, now 57, remains largely unknown in the pantheon of British grand prix drivers, but he enjoyed an enviable record in all forms of motorsport, moving up from a successful career in Formula 5000 to F1 when he joined the McLaren team after the death of Bruce McLaren. From McLaren, he went on to BRM before going back to F5000, then retiring in 1977.

## Harrier, Tornado, Red Arrows... and the cars

Something for all the family on the ground or in the air



Lord March, owner of Goodwood House and motorsport fanatic, with a Porsche Carrera GT beside the hillclimb track

Motor racing stars past and present will be out in force today as the action begins in earnest on the second day of the Festival of Speed. The event also offers activities for spectators of all ages on "Family Day." On the 1.16-mile course, winding past Goodwood House and uphill through the trees to the Top Paddock, 160 of the world's greatest racing cars and motorbikes will be practising for tomorrow's events, watched over by Lord March, owner of the historic house and motorsport fanatic. Reflecting this year's theme, "Decades of Power", they will include grand prix cars and formidable machines from the Canadian-American (CanAm) Challenge Cup series, driven by legendary names such as Stirling Moss, John Surtees, Emerson Fittipaldi and current Formula One stars, Johnny Herbert and Eddie Irvine. In the Molecomb activity field, visitors will be able to drive off-road vehicles and dune buggies or ride in a Chieftain tank and amphibious

troop carrier, while overhead an RAF Harrier and RAF Tornado will perform their routines. Among the displays on the Sussex Downs site is a special exhibition sponsored by Car 97 to mark Ferrari's 50th birthday. Tomorrow is "The Garden Party of the Gods", emphasising how the Festival has taken its place in the British summer season, nestling neatly between Royal Ascot and Wimbledon. Events on the track, where

spectator facilities have been improved with new grandstands and more raised viewing, will be the centre of attraction, but the stylish exhibitions in the superb setting will play their part in adding to the atmosphere. In the sky, the RAC's new airship, *The Spirit of Mobility*, will move sedately over the Downs, filming the event and providing guidance on the road conditions outside, while the Red Arrows will fly past at more devastating speed.



The Volvo S40, a saloon made into a racing car by TWR, which makes Damon Hill's Arrows Formula One car. This British Touring Car Championships entrant will be among the stars

**RAC'S GUIDE TO GETTING THERE**

● **PARKING** is free and ample, gates open at 6.30am. Car parking is allocated according to vehicle approach with local signs showing directions as early as A27. Try to be early as congestion is likely half a mile from car parks.

● **SUGGESTED ROUTES** From M25, leave at junction 10, take A3 to Milford and A283 to Petworth. From Petworth, take A286 to Hainault, then follow signs to Goodwood. From Southampton, Portsmouth, Worthing or Brighton, take A27 to Chichester and follow signs to Goodwood from bypass. From Petersfield and Haslemere, take A286 to Singleton. From Pulborough and Horsham, take A29 to A27, then as from Brighton.

● **ROADWORKS** Hampshire — M27 both ways junctions 8 to 10 (Hamble A32), contraflow with three narrow lanes and 50mph limit. Surrey — M25, both ways junctions 8 to 10 (Reigate Hill A3), widening works with contraflow and 50mph limit. A3 Stag Hill near Guildford, bridge works at intersection of A31.

● **PUBLIC TRANSPORT** Train — nearest station Chichester (from Victoria). Taxis available. Bus — from rail station from 9.30am, leaving every half hour until midday. Return services between 3pm and 6pm.

● **AND WHEN YOU GET THERE** Highlights include the Carier "Style et Luxe" with cars from the great pre-1940 era; the Goodwood Rally Sprint starring Robbie head and Alistair McRae; John Surtees world championship motorcycles with Bernie Sheene, Giacomo Agostini and Surtees himself; a display by the Microlease Extra 300L, flown by Nick Wakefield and the RAC Centenary exhibition.













Take a bit of Tornado jet fighter, add some Jaguar and the result is amazing. Vaughan Freeman reports

# Is it a plane? Is it a car? No, it's Top Cat

**P**art jet fighter, part Jaguar — and all madness, the 23-foot long, 160mph "Top Cat" is a gleaming missile-shaped tribute to the more eccentric world of bespoke motoring.

Nothing turns heads like this unlikely machine which, for all its bizarre styling and construction, is taxed, insured and has an MOT. It is very much street-legal and draws bigger crowds than even the most exotic Italian supercar.

Jaws drop when the machine rolls by, for it looks more like a plane that has lost its wings than a car. Driver and passenger sit tandem-style inside the perspex canopy which in a previous life did duty protecting the pilot of an RAF Tornado aircraft.

Under the hand-built glass-fibre body is the stretched running gear of a Jaguar. The 5.3-litre V12 engine sits at the rear, its shining chrome air intakes jutting up behind the canopy, and power is delivered to the rear wheels through a chain drive.

Getting in and out of the beast requires some serious contortion. The front half of the canopy lifts up on hydraulic struts, so that the rear seat passenger must scramble over the folded down front seat and under the back half of the Tornado left-over. Then the driver slides in before pulling down the canopy. Once inside, on a hot day before the air-conditioning kicks in, the sensation is like sitting in a mobile microwave oven, not helped by the lush heat-retaining trim of the seats.

The perspex canopy creates the feel of a greenhouse-cum-goldfish bowl on wheels, but the view, despite the car's low-slung stance, is sensational. There are none of the usual restrictions like a metal roof or door pillars.

On the move, Top Cat rumbles into life, that huge Jaguar engine burbling behind you. Matched to a fully automatic gearbox, the driver

needs only cope with a tiny throttle pedal and the brake, and a wooden steering wheel mounted joystick-style between the legs.

Huge 16in wide Goodyear Eagle tyres make for a somewhat lumpy ride but are necessary for the car to cope with its acceleration and a top speed in excess of twice the legal speed limit.

Such a low-slung car would normally have difficulties coping with bumps and speed humps, but a touch of a button activates the hydraulic system that lowers and raises the vehicle 10ins to enable it to clear obstructions.

Top Cat is the brainchild of graphic designer and car enthusiast Bill Carter, whose approach to its development was as unlikely as the looks of the end result. Instead of starting by sketching out the car on paper or computer, he began with chalk marks on his garage floor. He simply laid out the bits and pieces of the 1974 Jaguar donor car that

was to become the heart of Top Cat and then chalked in where two people, sitting one behind the other, needed to go.

Starting with the RAF Tornado canopy, picked up through a friend who worked in the aviation trade, the second-hand hunt did not stop there; the headlights come from a Vauxhall Calibra and the single windscreen wiper from a JCB road digger.

To create the fibreglass body, all curves and sinuous flowing lines, Carter built up the shape using hundreds of pine strips over the car's skeleton to create the mould.

Carter, who works for Ordnance Survey and built the car as part of the organisation's exhibition programme, says: "As a kid I never had enough money to get things repaired so I had to do it all myself, and then started building cars to

match my sense of humour. Top Cat is the tenth I have built. I started with the Tornado canopy, which is about the only thing I cannot make myself, and went from there. It took about 2,000 hours to build over 18 months, working nights and weekends, and more than half that was spent doing the bodywork.

"To be honest, I have always been a bit embarrassed by the car and would walk away from it quickly once I had parked. You feel awfully exposed in that bubble and if you get stuck in traffic it can be very embarrassing."

Top Cat: it began with chalk marks on a garage floor

John Brown recently added Carter's extraordinary creation to his car and motorcycle collection, based near Royston in Hertfordshire, where it has been sharing garage space with a 1924 Cadillac, a 1963 Bristol Beauflight, a 1909 Renault two-cylinder AX Voiturette and a 1972 Ford Mustang, among others.

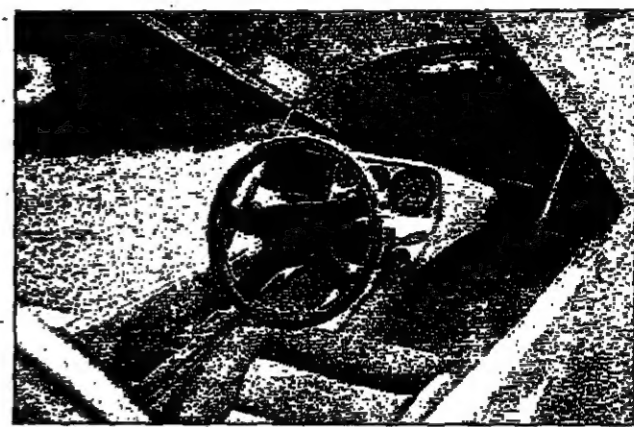
Brown has no such coy reservations about driving it. But why put such a car, which would surely be more at home in a futuristic TV puppet show, amid such a classic collection? "I have always dealt in vintage, veteran and classic cars,

it is pretty much an obsession," he says. "I love buying and selling things that I enjoy. Which is why I bought this car, it is so extraordinary. It is so long it takes up two parking meter bays. It only does 10 miles to the gallon but it has some wonderful gadgets like the hydraulically-operated height adjustment. It really is a head turner."

"We went down to the fish and chip shop in it. There was a huge queue but everybody piled out into the street to look, which meant that we were able to nip in and get our supper without queueing."



Engine: 325bhp Jaguar 5.3-litre V12 driving rear wheels.  
Performance: 160mph; acceleration — jet-like.  
Fuel consumption: Around 10mpg.  
Equipment: Air-conditioning, Bosch Travelpilot navigation system, electronically controlled height adjust.  
Price: £25,000.



The wooden steering wheel, mounted joystick-style

THE TIMES

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